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# Vast U.S. Secrets Leak **Exposed Nuclear Data**

Suspected Spy for China Is Believed To Have Posted Files on Nation's Arsenal

By James Risen and Jeff Gerth

WASHINGTON — A scientist suspected of spying for China in-properly transferred huge amounts of secret data from a computer system at a government laboratory, compro-mising virtually every nuclear weapon in the United States arsenal, gov-ernment and lab officials say.

The data - millions of lines of computer code that approximate how America's atomic warheads work were downloaded from a computer system at the Los Alamos, New Mexico, weapons lab that is open only to those with top-level security clear-

ances, according to the officials.

The scientist, Wen Ho Lee, then transferred the files to a widely accessible computer network at the lab, where they were stored under other file names, the officials said.

The Taiwan-born scientist transferred most of the secret data in 1994 and 1995, officials said.

U.S. experts said the data would be useful to any nuclear power trying to replicate American atomic designs. But one American scientist said the codes and accompanying data were not, by themselves, sufficient to produce an exact copy of a U.S. weap-

U.S. officials said there was evidence that the files were accessed by someone after they were placed in the unclassified network. Other evidence suggests that this was done by a person who improperly used a password,

the officials said. The investigation is continuing, and officials do not know whether the data transferred by Mr. Lee were obtained by another coun-

In 1996, Mr. Lee became the focus of an FBI investigation into a separate case, what U.S. officials say was China's theft from Los Alamos of design data for the most advanced American warhead, the W-88. That theft apparently took place in the 1980s. China has denied stealing the

Now officials fear that a much broader array of nuclear test data may have been moved to Beijing in the

Mr. Lee has not been charged with any crime.

Federal investigators did not dis-cover the evidence of huge file transfers until last month, when they examined Mr. Lee's office computer in connection with their investigation of the earlier theft at Los Alamos, a sprawling lab complex about 35 miles (55 kilometers) from Santa Fe.

They then found evidence that Mr. Lee, who held one of the government's highest security clearances, had been transferring enormous files involving millions of lines of secret computer code, officials said.

Although Mr. Lee had been under investigation in the W-88 case for nearly three years, Los Alamos officials failed to monitor his computer use and let him retain his access to

See ESPIONAGE, Page 3

# Hong Kong Fears Ruling Will Lift Population 25%

By Philip Segal

HONG KONG - A court ruling earlier this year that overturned immi-gration restrictions could result in a 25 percent jump in the population of this densely packed city within seven years,

the government said Wednesday.

The estimate of the influx, which some have speculated could overwhelm Hong Kong's schools, hospitals and public housing, came in remarks to the legislature by the secretary for security, Regina Ip, who called it "a very heavy, if not unbearable burden, on Hong

Her comments were the first time the government had publicly estimated the number of potential new residents since the region's Court of Final Appeal threw out a sories of China backed immigration restrictions in January.

The controversy following that decision brought Hong Kong to the brink of constitutional crisis, as Chinese officials demanded that the ruling be rectified." It was not, and now Hong. Kong's 6.8 million people are in the position of having to accommodate 692,000 maintains Chinese who are already here and have the right to re-

The immigration crisis is a product of

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the new administration in Hong Kong, which took over after the former British colony was returned to China in 1997. A new constitution was adopted two years ago, with China's approval, and it says that anyone with one parent already settled in Hong Kong can also come

The security secretary said that after seven years of continuous residence in Hong Kong, many of the 692,000 new immigrants as well as other mainlanders already in the region would be able to bring in another 983,000 new residents. That would bring the total of new-comers to 1,675,000 people, nearly 25 percent of the current population.

The ruling comes as Hong Kong is beginning to rethink how it funds public services. Last month, a Harvard University study said the increasingly prosperous region would soon run into prob-lems funding its hospital system without

major changes.
But sudden influxes of people are not entirely new to Hong Kong. Many of the residents who now tell pollsters they are fearful of being swamped by mainlanders were themselves refugees from Communist China.

The great wave of new immigrants flooding into this bastion of laissez-faire economics at the end of the 1940s forced the government of the day into a radical rethinking of public policy. After a fire in a squatter camp in 1953 killed hundreds, the government began a massive campaign to build public

Today, half of the population lives in state-subsidized accommodation.

# NATO Bomb Kills 20 Serbian Civilians

BRUSSELS — NATO acknowledged Wednesday that at least one laser-guided bomb had missed its intended military target and exploded in a neigh-Yugoslav authorities, who disclosed the overnight

incident, said that at least 20 people had been killed.
"We can confirm that one bomb went astray and impacted in an area where there were civilians." a spokesman for the allied military command, Brigadier General Gruseppe Marani, said. He said the attack had been aimed at a military garrison 200 to 300 meters (650 to 1,000 feet) away in the town of Surdulica.

damage," he said, using the NATO military term for unintended destruction of civilian life or property.

U.S. journalists who visited the scene at Surdulica on Wednesday said there were two craters, indicating that more than one weapon had hit the area. They also said the residential area was at least a kilometer (half a mile) from any military target. About 10 houses were

destroyed and 20 damaged.

If the Surdulica figures are confirmed, the strike will be among the worst cases of civilian casualties thus far, ranking with the deaths of 72 ethnic Albanian refugees in a column in Kosovo, the bombing of a passenger train in Grdelica, which caused at least nine deaths, and the bombing of a residential area in Aleksinac, which killed

The alliance's swift if incomplete initial explanation for an attack that went wrong contrasted with the confusion of its initial responses earlier this month to Serbian reports of the air attack on a column of ethnic Albanian civilians traveling along a road near the town of Djakovica. It took days then for the command to determine that allied planes had indeed fired on the convoy, believing it contained only miltary vehicles, and then explain the mistake publicly.

This time, NATO officials reacted so quickly that when the alliance's top civilian leader, Javier Solana, appeared before reporters Wednesday afternoon, he was not even asked about the incident, and said nothing about it.

See KOSOVO, Page 10



# A Hard, Hungry Life in the Refugee Camps

By Barry Bearak New York Times Service

STANKOVIC I REFUGEE CAMP, Macedonia -Those who want food by noon know to be up well before dawn, for the bread lines have become impossibly long. The wait is normally in the rain. atecomers seem to leave without milk and with only two bananas instead of the usual four. The old plead with the young to save them a spot and spare

them the wearying ordeal.

Portable toilets were tried — colorful booths that said "Toi Toi" on the side with the first "i" dotted in the shape of a heart. Refugees quit using them

after a week when the sensory assault became too foul to endure. They now go outdoors, standing over holes cut into a wood platform. Privacy is provided by sheets of plastic, though at night the Macedonian policemen seem to take pleasure in watching female silhouettes lit up through the curtains with a search-

Water is carried in plastic jugs from a few central spigots. There are no metal pans. To heat the water, the jugs are placed over a fire made with scraps of wood, but it is hard to get it warm enough before the flames burn through the plastic and the water pours out.

Early on, tents were put up with adequate space between them. Now, they are crammed side-by-side

and the camp is a heaving metropolis of fabric.
On Tuesday, 4,000 more Kosovo Albanian refugees arrived at the Macedonian border, a spurt in an exodus that has brought 11,000 people in the past few days and, United Nations aid workers say, about 160,000 in little more than a month. More than 60,000 of the refugees are living in tent cities, and the supply of people has once again outstripped the

supply of emergency shelter.
"We have passed the breaking point," said Paula Ghedini, spokeswoman for the office of the UN High Commissioner for Refugees.

See CAMPS, Page 10

# Dissenting Voice in Yugoslav Government Is Fired

BELGRADE - As the pace quickened for a diplomatic solution, the government of President Slobodan Milosevic on Wednesday fired the moderate deputy prime minister who had urged Yugoslavia to compromise with NATO.

In Washington, the House of Representatives voted, 249 to 180, Wednesday afternoon to require President Bill Clinton to get congressional approval before injecting "ground elements" into the conflict in

Yugoslavia. (Page 10)
The dismissal of Deputy Prime Minister Vuk
Draskovic came amid a flurry of diplomatic activity

aimed at ending the conflict, although no solution appeared to be in sight. Former Prime Minister Viktor Chemomyrdin of Russia prepared to fly to Germany on Thursday and then on to Italy and Belgrade.

But the United Nations secretary-general, Kofi Annan, cautioned against "unrealistic expectations," and the firing of Mr. Draskovic showed that hard-liners remained in control in the Yugoslav government.

The ouster, made by Prime Minister Momir Bulatovic and announced by state media, came three days after Mr. Draskovic said the government would en-tertain a peace deal calling for a UN presence that would include NATO countries.

A terse report by the Tanjug press agency said Mr. Draskovic had been ousted because of his "public statements which were contrary to the government stands and jeopardizing the respect of the federal

Mr. Draskovic had said the Serbian leadership should recognize that it could not defeat NATO and

that the world was united against it.

A NATO official speaking on condition of anonymity called the move "the first visible fracture" in the Yugoslav leadership and said it "shows the price

See DIPLOMACY, Page 10



Mr. Obuchi preparing for his Chicago start.

# Obuchi Warms Up for U.S. Visit

Japanese Leader Polishes Economic Speeches and His Pitching

By Nicholas D. Kristof New York Times Service

TOKYO - Prime Minister Keizo Obuchi prepared Wednesday for his summit meeting with President Bill Clinton, working on his economic policy and on his

Mr. Obuchi, who leaves Thursday for the first official visit by a Japanese prime minister to the United States in 12 years, is expected to throw the opening pitch at a Chicago Cubs game Saturday at Wrigley Field in Chicago.

So the 61-year-old leader, who said he last threw a pitch about 50 years ago, spent part of the afternoon in his back yard with a baseball mitt and a former professional outcher.

I'm really worried whether the ball will reach home plate or not," Mr. Obuchi explained Judging from the practice session, which Mr. Obuchi good-naturedly allowed reporters to watch, he has

good form but not much consistency. All in all, he seems to have a strong change of getting the ball to home plate — at least by the third counce.

Other prime ministers to e made: working trips to Washington, but this is from a formal official visit and includes stays in the digeles on Thurst sday night and in

Chicago on Friday and Saturday nights. Then Mr. Obuchi will travel to Washington for talks Monday with Mr. Clinton and a White House dinner that evening.

This is a time of relative harmony in U.S.-Japanese relations, and officials say that the main purpose of the summit meeting is to reaffirm and strengthen the relationship rather than to resolve any particular disputes But the backdrop will be Japan's faltering economy and American insistence that Tokyo do more to revive it.

The Group of Seven nations issued a communique Monday calling on Japan to "implement stimulus measures until growth is restored, using all available tools." But in a meeting Wednesday with American reporters, Mr. Obuchi did not seem to take the hint, for he suggested that Japan had taken enough action for

now and needs to allow time for results.
"We've adopted numerous measures," Mr. Obuchi said, pointing to various economic legislation passed in the past year. He added: "I trust that favorable effects will emerge.

Asked whether Japan would consider a supplementary budget to provide additional fiscal stimulus if present steps prove inadequate, Mr. Obuchi poured cold water on the idea. "At this stage, we have no

See OBUCHL, Page 3

### AGENDA

### U.S. Eases Stance On Iran and Libya

President Bill Clinton has eased U.S. sanctions policy to allow food and medical items to be sold to Iran. Libya and Sudan, officials said

The move represents a softening of policy toward three countries the United States has long viewed as supporters of terrorism and exporters of extremism. Page 10.

### EU to Ban U.S. Beef

The European Union said Wedpesday that it would ban U.S. beef imports as of June 15 unless Washington made sure the meat had no artificial-growth hormones. Page 11.

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# 'It Was Utter Chaos' as Teacher Lay Dying in School

By Dirk Johnson

ITTLETON, Colorado — For more than three hours, William Sanders lay dying on a classroom floor. Terrified students with cell phones called frantically for an ambulance for the teacher, shot twice while helping students flee gunfire in the Columbine High School cafeteria last week. They used their shirts to bind his wounds. They hung a sign from a window: "HELP, BLEEDING TO DEATH." When rescuers finally arrived about 31/2 hours after the first shots were fired, the 48-year-old Mr. Sanders died as he was being carried from the class-

In the aftermath of the carnage April 20, the family of the teacher has raised questions about the police response, especially the long wait in sending rescuers into the classroom.

"Some of his daughters are angry," said Melody Smith, a sister-in-law of Mr. Sanders, who was substituting for a science teacher the day of the attack. "They feel like, had they gone in and gotten Dave out sooner, he would have lived."

Law-enforcement officials say they did not send the police into the second-floor classroom sooner because they feared the two gun-men were still shooting inside the building. Sacrificing the lives of police would not have helped anyone, said Sergeant Jim Parr of the Jefferson County Sheriff's Department.

"You just can't run blindly down a hallway, not knowing that you're running by doors that may contain gumen," Mr. Parr said. "They also had bombs they had to deal with."

Mr. Parr described the mayhem inside the sprawling school: sprinkler systems flooding the balls, ceiling tiles falling down, fire alarms sounding loudly and strobe lights from the alarm system flashing.

Now it appears that the two gunnen, Eric Harris, 18, and Dylan Klebold, 17 — both seniors at Columbine — did all of their shooting, including killing themselves, within minutes after beginning their assault around 11:25 A.M., said Steve Davis, a spokesman for the Jefferson County Sheriff's Department. The sound of gunfire inside the building for the next two hours, Mr. Davis said, most likely came from the police—"cover fire" meant to protect the officers dashing into the building.

Ms. Smith said the family does not blame the rescuers themselves, but questions whether law-enforcement agencies have an effective policy for such a crisis. Indeed, members of the tactical unit were invited to the funeral of Mr. Sanders on Monday as an expression of grat-

All of them attended the services, which drew about 3,000 mourners to the Trinity Christian Center here. "We want them to know we do not blame them," Ms. Smith said. "But the family wants to sit down and ask

'N THE VIEW of the Sanders family, Ms. Smith said, the response to the ambush did not seem to be well-organized. "It was utter chaos," she said. "We want some policies changed, so that this doesn't

happen to the next guy."

Mr. Parr said the SWAT team had been going from room to room in the school, breaking down locked doors that had been bar-ricaded by the frightened students. When they reached the classroom where Mr. Sanders, a business teacher and athletic coach, lay dying, Mr. Part said, the officers rescued 60 students first. After that, two officers started to carry Mr. Sanders out. He said the officers knew that

the condition of Mr. Sanders was grave.
"There's only so much you can do," Mr. Parr said. The police have described Mr. Sanders as a hero whose bravery in charging into the panic-stricken cafeteria, then berding about 200 students up the stairs, probably saved the lives of many of them. Mr. Sanders took two bullets as he guided students roward the science classroom. With that, he stumbled into the room with blood flowing from his chest, then fell on a desk and broke a tooth.

One student in the classroom, Aaron Hancey, a junior, knew some first-aid, and paramedics talked to him on a cell phone about life-saving techniques. As Mr. Sanders' temperature fell, the students wrapped the teacher in a blanket. Two boys took off their shirts, twisted them up and pressed them against the wounds in an effort to stanch the bleeding

As Mr. Sanders became weak from the loss of blood and seemed as if he were going to pass out, students took his wallet and held up family photographs to try to keep him conscious. But Mr. Sanders could barely breathe. He said that he did not think he could last much longer, then

Pete Mazula, a firefighter whose daughter attends Columbine High School, delivered a letter to the Sanders house Tuesday.

"Because of your selfless act, you saved my little girl," Mr. Mazula wrote. "You gave up your life to save hers, and because of that I am able to hug and kiss her everyday."

# State Put on Hold As Palestinians **Bow to Pressure**

By Deborah Sontag New York Times Service

JERUSALEM -- Palestinian leaders effectively decided Wednesday against declaring statehood on May 4, bowing to international pressure and defusing a volatile moment.

The Palestinian Central Council decided by not decided and account to decided by the council decided

not deciding. A two-day meeting to debate the date recessed without a vote Wednesday in Gaza. But the meeting will remain in "permanent session" until after the Israeli elections — May 17 with an expected runoff June 1 — that is, weeks after May 4 has come and gone. Yasser Arafat, the Palestinian leader, and his

council refused to make their decision clear immediately partly because they did not want Prime Minister Benjamin Netanyahu of Israel to be able to take credit for getting them to retreat from their

intention.

"We are going through a very delicate period in the history of our people, a period during which we cannot afford to make any mistakes," the official Palestinian press agency, WAFA, quoted Mr. Arafat as saying. "We don't need to affirm our stafe because we are actually exercising statehood."

But Mr. Netanyahu, who prides himself on taking tough stances with the Palestinians, did so anyway.

anyway.

"Arafat backed down and that's a good thing," he said. "They delayed it until after the election because they know that as long as I am prime minister of Israel, a Palestinian state with lerusalem as its capital will not be established."

Mr. Arafat had convened the Gaza meeting to allow some outlet for the impatience many in the Palestine Liberation Organization feel with the slow road to independence for the West Bank and Gaza Strip. He also wanted a broad consensus for

Under the terms of the Oslo peace accord, May 4 was a target date by which final peace negotiations between Israelis and Palestinians were m

have been completed. But because the peace effort is frozen, and the final-status negotiations have barely begun, Mr. Arafat had said he would make a unilateral declaration of statehood on that day. In the Palestinian areas of the West Bank and Gaza, May 4

became a railying cry.

Some Palestinian leaders would prefer to abandon the U.S.-brokered peace effort, by which their sovereignty or statehood is to be determined through negotiations with Israel.

But, after the Americans promised to help him push for final negotiated deal within a year, Mr. Arafat urged the Palestinian leadership to be patient. He referred to the trappings of statehood -from an airport to a country area code - that the Palestinians have recently acquired. And he reportedly told them that it was a sensitive moment, when the Palestinians, having accomplished much, should not risk losing what they

have gained by "making mistakes."

Reporting on a whirlwind diplomatic tour, Mr.

Araiat and his advisers made it clear that they had gained international support for independence goodwill and backing that the Palestinians will need in negotiating the thorny issues involved in final status talks.

But Mr. Arafat's advisers also said the Americans and many European and Arab leaders had asked them not to make a unilateral declaration of

In the event of a declaration, Israel had threatened severe retaliation, including the pos sibility of annexing swaths of the West Bank.
But most Israelis, according to recent polls,

consider a Palestinian state inevitable, and most believe it is the Palestinians' right to have one

In an attempt to bring even his most radical opponents under his umbrella, Mr. Arafat persuaded Sheikh Ahmed Yassin, leader of the Islamic fundamentalist Hamas organization, to attend the meeting as an observer. As Sheikh Yassin, who is paralyzed, sat in his wheelchair on the sidelines, he seemed to be in a position of uncharacteristic deference to the Palestinian



SWAT Teams' Response Scrutinized on Web Site

**Under Fire** 

By Brian Knowlton nternational Herald Tribune

WASHINGTON - From the first terrifying moments after Eric Harris and Dylan Klebold burst into Columbine High School and opened fire, killing a teacher and 12 classmates before ending their own lives, the drama has unfolded in shockingly public fashion, as panicked students hiding from death phoned television stations to describe sounds of carnage only yards away.

The drama could have been more public and interactive only if Mr. Harris or Mr. Klebold themselves had phoned in.

And now, as the once-peaceful Colorado community of Littleton digests successive waves of terror and pain, seeking to make sense of the incomprehensible, an anguished public debate continues.

On the Internet - the same venue where Mr. Harris vented his anger at the world area residents are exchanging words of prayer and consolation, but also of blame, resentment and bitterness, above all over the seeming slowness of the police reaction, The live televised images, fueled the im-

pression that as the killers carried out their attack, and a teacher lay bleeding to death, most of the 200 law-enforcement officers who had rushed to the scene stood outside for hours, doing little but awaiting orders. That has been the most widely discussed

topic on a special Web site, set up by The sacre (www.denverpost.com).

internet discussion groups with titles like Why didn't the police storm the school" and "If the cop's won't risk their lives for the children, then for whom will they risk them?" had received more than 175 comments each as of Wednesday. By comparison, "America and guns" had 141, and "Where was God"

drew 49 responses.

The readers do not necessarily form a scientific cross-section. But they have forcefully made the points being heard across the country, with many of them castigating the police for what they see as a failure of tactics, organization or nerve.



Police officers outside Columbine High School in Littleton, Colorado, as bomb squads and SWAT teams rescued students.

One man, who identified himself as a former member of a SWAT, or special weapons and tactics, team, wrote, "I know all about protecting myself and the units, but I'll tell you, for hundreds of law enforcement people to stand around that school and let their own children bleed to death was a travesty of public protection."

Another man wrote, "If this had happened in Israel, or Germany or France, where the police are intelligent, understand weapons and tactics, and are willing to risk their lives in the course of their jobs (an occupational hazard for to an early and decisive conclusion.

Another wrote that he was troubled "that there is not an immediate and direct armed intervention and confrontation plan requiring contact and pursuit of individuals known to be

killing others."
Yet, many other writers — about three for every four who were critical -- commended the police for making the best of a complex and dangerous situation. "Storming the building when you know that there are people inside with guns and bombs," one man wrote, is the surest way of a high body count of civilians and police.

Another wrote: "The kids hiding in the

various locations were safer with the police methodically stabilizing the situation than with the type of John Wayne shoot-em-up

charge" some people favor.

In their own defense, police officials say that a key element of any such rescue is intelligence—knowing the exact nature of the risk.

In Littleton, local law-erforcement officers

say, they were entering a scene of pure chaos, facing bullets, bombs and booby traps, in hallways filled with smoke, against an enemy whose numbers, armament and location were not immediately known, and who could easily

Authorities have yet to provide a detailed account of their decision-making process during the killings, the worst school massacre in U.S. history.

In fact, several of those leaving messages at the Denver Post Web site praised the bravery of the police, particularly a first group of seven officers who entered the building within 20 minutes of the emergency calls. "Don't blame the police — they did what they had to do," one woman wrote,

But some writers criticized the SWAT teams. Such teams, formed in many towns and cities in response to drug- and gang-related violence in the 1970s and 1980s, have recently

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come under fire from critics who say they no

longer serve much useful purpose.
"I wonder why we have SWAT teams,"
one writer said, "if there not willing to give
their lives for children that are in need of there help?"
Defenders of the SWAT teams — including

Larry Glick, executive director of the National Tactical Officers Association — say the men were doing what they are trained to do. A Los Angeles Deputy police chief, David Gascon, told the Los Angeles Times, "From what I saw, it was an impossible situation."

investigation, John Stone, the Jefferson County sheriff, expressed suspicions about three teenage boys who knew the gummen and tried to approach the school during the massacre. They were seen on television being stopped and frisked in a nearby field during the incident.

"They said they heard it on the radio," Sheriff Stone said. "Well, it wasn't on the radio at that time." The three have not been formally named as suspects.

Sheriff Stone has contended that the first group of officers to enter the building may have forced Mr. Harris and Mr. Klebold to retreat. "I think that is what saved the rest of these kids.

### TRAVEL UPDATE

### **Airbus Reassures Asian Carriers**

SINGAPORE (AFP) - Airbus Industrie has assured Asian carriers that the primary flight systems on its aircraft in the region will not be affected by the Year 2000 problem, the European planemaker said Wednesday.

Airbus, which has 460 aircraft currently in service with 37 Asian airlines, said ground and flight tests had confirmed that its primary flight systems will perform normally during the changeover to years that begin with "20."

Airbus said it had subjected its aircraft to the "ultimate

test" in the middle of last year.

Air France ground staff voted Wednesday to extend their 4-day-old strike at Nice airport into Thursday.

high-speed trains to Lille were canceled.

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Correction

Because of an editing error, an article from Kuala Lumpur in Wednesday editions incorrectly identified Prime Minister

Strike Disrupts Some French Trains

PARIS (AFP) - Suburban rail traffic in and out of Paris was

expected to be disrupted for a second day Thursday along with some high-speed trains as drivers voted to continue a strike. At best one train in two was running Wednesday on some suburban lines. A Thalys high-speed train to Brussels and two

The drivers are protesting management plans to adapt conditions of work to the new national 35-hour workweek, and the strike is scheduled to last until 8 A.M. Monday.

Construction began Wednesday on London's first new bridge across the Thames in more than a century. The Millennium Bridge, for pedestrians only, will span the river opposite the dome of St. Paul's Cathedral.

(AP)

### Editor's Note

An article in late editions Tuesday about soccer violence in Rotterdam wrongly described the 1989 disaster at Hillsborough Stadium in Sheffield, England. The authorities now accept that hooliganism was not involved. The causes are still a source of dispute. We regret any distress our error may have caused.

### WEATHER

Forecast for Friday through Sunday, as provided by Acculifeather

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Latin America

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### THE AMERICAS

# Florida Readies Plan That Will Allow Public School 'Exodus'

By Rick Bragg New York Times Service

MIAMI - In a move that critics say will cause an exodus from struggling

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education funds for vouchers that will pay for children to attend private schools, including religious schools. The measure is expected to pass in the House and Secrete this week.

Leaders in the State House and Senate, both controlled by Republicans, resources and attention where it needs to worked out an agreement Monday on a be. It will improve public schools." bill that Mr. Bush will sign "with a smile on his face," said Nicolle Devenish, the governor's press secretary.

The plan, which is also intended to another near Tallahassee and two in cratic state representative from Miami public schools from the third grade pay for children in failing schools to Pensacola—and gradually be expanded whose district, which includes Liberty through the 10th would be tested every city, Overtown and Opa-Locka, is the year under a vigorous new state test assign every state public school a grade state, is seen by proponents as a bold — A, B, C, D or F — based on stand-initiative to reform a system that has inner-city schools but one that advocates maintain will save them, Governor Jeb. Bush and leaders in the Florida leg-

"Half our kids graduate from high school," said Mr. Bush. "Half are readgrade. This is vital for our long-term restoring our civil society. It pushes the

be. It will improve public schools."

The plan, which will begin in September with four schools that have tested poorly in the past — one near Orlando, schools," said James Bush, a Demo-

maintain will save them, Governor Jeb. schools rated "F" can, on the request of Bush and leaders in the Florida legislature have agreed to allow children in the lowest-rated schools to arised private institutions with state-paid tuition.

The plan, which was a cornerstone of Mr. Bush's campaign for governor, will of Mr. Bush's first term, as he put the passe shead of all other business.

Schools rated "F" can, on the request of their parents, be awarded vouchers of about \$4,000 — called "opportunity on whave the option to go to a school administrators afraid of change. "Every child in a failing school will now have the option to go to a school administrators afraid of change.

"Every child in a failing school will now have the option to go to a school administrators afraid of change.

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"Every child in a failing school will now have the option to go to a school administrators afraid of change.

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"Every child in a failing school will now have the option to go to a school administrators afraid of change.

ing below basic levels in the fourth state. And in south Florida, where many inner-city schools are expected to score schools. competitiveness as a state, vital for low in the planned standardized testing, they say it will worsen things by removing the best pupils and state financ-

City, Overtown and Opa-Locka, is the poorest in the state. "You're going to lose teachers," as enrollment drops and tax dollars dwindle.

Other states, including Texas and Pennsylvania, are considering similar plans, and some cities, including Milwankee and Cleveland, already have such systems in place, said Jeanne Allen, president of the Center for Education Reform, a nonprofit research group based in Washington. Maine and Verplan's strongest proponents.

Critics of the plan said it violates the constitutional division of church and grams for a small number of children in grams for a small rural areas who do not live near

> "What makes this unique," Ms. Allen said, "is that it is not a simple program that pulls kids out of school. It puts schools on notice that they will lose their good students unless they are quality schools.'

Under this legislation, children in

year under a vigorous new state test called the Florida Comprehensive Assessment Test, and those cumulative scores would be used to rate the school. Mr. de la Portilla said that as many as 160 of the state's 3,000 schools could get

a failing grade. Sam Yarger, dean of the School of Education at the University of Miami, said the plan is "very viable, politically," but one that will break down in the realities of society.

"If you allow vouchers," he said, "the students who voucher out of public schools will be those whose parents care about them," because they will have to provide transportation and make other arrangements for their children.

"The kids who are left behind are the kids who are poor, whose parents don't have the concern," he said. "They will be left in the school. That residual student body will demonstrate more failure.'

### U.S. Panel Urges Gambling Pause'

WASHINGTON — A sharply divided panel studying gambling in the United States recommended Wednesday a nationwide moratorium on the spread of casinos, lotteries and slot machines.

The nine-member commission is nearing the end of a two-year study. It plans to submit a report to Congress on June 18 on the economic and social effects of legalized gambling, which has proliferated during the 25 years since the last national study.

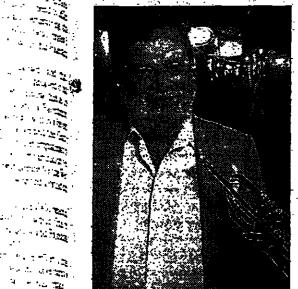
The commission's report will contain a call for "a pause" in the spread of legalized gambling and encourage state and local governments to form their own gambling study commissions.

"Some policymakers at all levels may want to impose an explicit moratorium on gambling expansion while awaiting further research and the National assessment," Gambling Impact Study Commission concluded.

The panel split over the language, particularly the use of the word "moratorium." Five commissioners approved the wording, while four voted no. At least one pro-gambling commission member, Terrence Lanni, chairman of the MGM Grand hotel in Las Vegas, said he now planned to write a minority report.

Commissioner Robert Loescher, an American Indian businessman in Alaska, opposed the call for a moratorium and said the 5-4 division was "unhealthy."

"I have a problem with the notion that we're going to stop the world or pause or create a moratorium for the business of research," Mr. Loescher said. "That is not a compelling and persuasive reason I believe we should advance to the American public for this kind of recommendation." The advisory commission cannot impose a moratorium. (AP)



Al Hirt, a ubiquitous figure in New

# Al Hirt, New Orleans Jazz Trumpeter, Is Dead at 76

By Nick Ravo New York Times Service

NEW YORK - Al Hirt, 76, the portly Dixieland jazz trumpeter who was a symbol of the exuberant laissez-faire way of life of New Orleans, died Tues-

day at home in that city. Mr. Hirt had been hospitalized until last week at East Jefferson General Hospital in Metairie, Louisiana, with liver ailments, his personal assistant, Peggy Stegman, said. He had used a wheelchair for the last year because of edema in his leg, she said.

One of the nation's most recognizable performers in the 1960s, he recorded 55 albums in his career and won a Grammy award in 1963 for the song "Java."

Genial, bearded, sometimes topping 300 pounds (135 kilograms) and known to some friends as Jumbo, Mr. Hirt was a

closed in 1983.

"'He's part of New Orleans, like Louis Armstrong," said the clarinetist Pete Fountain, a fellow New Orleans resident who knew and played with him for 55

Alois Maxwell Hirt was born Nov. 7, 1922, in New Orleans, the son of a police officer. A child prodigy, he got his first trumpet from a pawnshop at age 6 and played his first gig in 1938 when he was hired to blow the hom at a racetrack.

He attended the Cincinnati Conservatory of Music from 1940 to 1943. After touring with big bands, he started his own band in 1950 and a combo with Mr. Fountain in 1955.

In 1960, he signed with RCA Records, which released his first album in 1961. Orleans, on Bourbon Street in 1991. ubiquitous figure in his hometown. He His most popular albums included

Arbit Blatas, 90, Prolific Painter And Sculptor of School of Paris

NEW YORK (NYT) - Arbit Blates, 90, a Lithuanian-born artist whose career bridged New York, Venice and the Paris of Picasso, Matisse, Braque, Dufy, Bonnard, Vlaminck, Utrillo, Soutine and Cocteau - all of whom he rendered in paint, clay or bronze -- died Tuesday at

his studio home in New York. A prolific sculptor, stage designer and vivid colorist whose works are seen in plazas, museums and galleries the world over, he continued to paint until a series of hospitalizations in recent months.

He is particularly known for his 1979 series of seven bronze tablets on a wall of Venice's Campo del Nuovo Ghetto commemorating the night of Dec. 5, in her early to middle 90s.

had roles in several motion pictures and ran a popular club on Bourbon Street in the city's French Quarter for 22 years; it single hit with "Cotton Candy."

1943, when the first 200 of the city's Iews in the old foundry district were rounded up and marched out for deportation and death.

Born in 1909 to Russian parents in Kaunas, Lithuania, he was an accomplished painter by age 15. He soon left for Paris, where he became the youngest member of the eminent group of French and émigré artists that became known as the School of Paris. In 1978, the French government made him a chevalier and later officer of the Legion of Honor for his contributions to French art.

Patricia Bowman, a founding member of American Ballet Theater, a ballerina at Radio City Music Hall and the first American ballerina to win critical acclaim and wide popularity as a classical and musical-theater dancer, died March 18 in Las Vegas. She was believed to be

### ESPIONAGE: Data Transfer Compromised Entire Nuclear Arsenal, U.S. Officials Say N.Y. Times Bans Tobacco Ads,

Continued from Page 1

nuclear secrets until late 1998. Mr. Lee was fired by the Energy Department for security violations on March 8. His attorney, Mark Holscher of Los Angeles, did not return a telephone call. In the past, Mr. Holscher has denied

the new evidence by Energy Secretary
There were varying assessments of
Bill Richardson on March 31. During a the gravity of the security breach. One
subsequent meeting at the White House, official samiliar with the new evidence
sessionce in early April, the president said, This is much, much worse
told Mr. Richardson to "get to the bottion of it." Mr. Pichardson recalled in an or considered valuable.

Someone to generate a computer simulation of U.S. warhead designs.

Officials said Mr. Lee had transferred
onage as a problem that occurred during both the legacy codes and the input data
previous administrations.

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Antid the legacy codes. The codes and pertom of it," Mr. Richardson recalled in an case."

interview Tuesday.

But an EnEarlier in March, before being briefed ergy Departby Mr. Richardson, the president said he ment official had not been told of any evidence of said that beespionage during his administration. In response to the new evidence and mained unclear with the president's support, Mr. whether China Richardson this month shut down the actually obclassified computer systems at Los Alam-tained the data, os and two other major nuclear weapons laboratories. He ordered changes in the computer security procedures to make it

of the classified networks. "These Wen Ho Lee transgressions son said in the interview. Congressional leaders were told of the

more difficult to move nuclear secrets out

for an FBI search of Mr. Lee's home April 10, officials said. Mr. Lee is believed to be still living in Los Alamos.

Senator Richard Shelby, Republican of Alabama, chairman of the Select firmed my worst fears that China's es-

But an En-

the case at this the W-88."

The fact that the huge data transfers spy was not being closely watched by new evidence in classified briefings last Los Alamos or the FBL

An internal investigation at the Enagents and resources into the investigation. The evidence of transfers from his office computer provided the basis of the investigation.

against some lab and Energy Department and the safety characteristics of U.S. are no nuclear warheads. clear the computer provided the basis of the investigation of transfers from the computer provided the basis of the computer provided the computer his office computer provided the basis Department official.

FBI officials have told Congress that best understanding of the processes that Mr. Lee and his wife, Sylvia, had prior go on in a nuclear weapon, "Mr. Browne relationships with the bureau. In the early 1980s, Mr. Lee volunteered information to the bureau, but officials design nuclear weapons through com-

Committee on Intelligence, said that the would not provide details. Mrs. Lee puter simulation, and so are valuable on briefings on the new evidence "con- provided the burean with information on foreign visitors to Los Alamos from able when combined with specific perany wrongdoing by his client.

pionage is ongoing, it's deep and we about 1987 to 1992, but her information formance data, which would then enable was not considered valuable.

formance data, which would then enable someone to generate a computer sim-

vas not considered valuable. someone to generate a computer sim-Until now, Mr. Clinton and his aides ulation of U.S. warhead designs. ave portrayed Chinese nuclear espi-Officials said Mr. Lee had transferred

administra-'If you've got the source code and the input data, you can theft of the reverse-engineer the thing and have a complete plan for the nuclear explosive part.' White House

has stressed that the espiopoint "is serious but not of the scope of nage occurred in the 1980s, long before Mr. Clinton took office.

But the new evidence raises the stakes were not detected until the last few of the congressional investigations now weeks has sparked outrage among of under way into how the Los Alamos case

The information improperly transferred by Mr. Lee was said to include what Los Alamos officials call the "leg-The huge scale of the security breach ergy Department into why Mr. Lee rehas shocked some officials and has tained access to U.S. nuclear secrets director of Los Alamos, the legacy codes prompted a new sense of urgency in the FBI to solve the Los Alamos spy case. The bureau is now pouring additional agents and resources into the investigation. The contract in the investigation of th

The legacy codes can be used to help their own. But they become more valu-

furor over the formance data provide what a Los Alamos scientist described as a "rough aption's handling proximation" of the physical processes

> combined data was equivalent to a scientific blueprint.

> thing and have a complete plan for nuclear explosive part of the weapon," Mr. Kidder said

One lab official said investigators were still trying to determine the extent cannot occur any more." Mr. Richardficials who wonder why computer use by son said in the interview.

was handled after the W-88 theft was of the security breach and exactly how many warheads were involved in the data transfers.

The legacy codes and the warhead data that goes with them could be particularly valuable for a country, like China, that has signed on to the nuclear test ban treaty and relies solely on computer simulations to apgrade and maintain its nuclear arsenal. The legacy codes are now used to maintain the U.S. nuclear arsenal through computer simu-

# **Joining Several Other Papers**

By Doreen Carvajal New York Times Service

NEW YORK - Joining a small group of newspapers, The New York Times will ban cigarette advertising in its pages, effective Saturday. The newspaper decided to impose the

ban because of concerns about the harmful effects of cigarette smoking, said Nancy Nielsen, a spokeswoman for The New York Times Co.

vertising often means we have to weigh Lake City and The Christian Science the pros and coms of competi Ray Kidder, a nuclear-weapons physicist at the Lawrence Livermore Na
Nielsen said, adding, "We don't want to may be dangerous to their health.

Last year, cigarette advertising input data, you can reverse-engineer the newspaper's \$1 billion in advertising

For all intents, The Times has already run its last cigarette ad. A full-page color advertisement for Carlton cigarettes, made by the Brown & Williamson To-

are scheduled for the rest of the week. The new policy comes as the tobacco industry faces a prohibition on cigarette billboard advertising this month, part of a \$206 billion agreement the industry reached with 46 states to resolve the

states' claims for health costs. With the ban, The New York Times running debate within American jour- they feel is appropriate for their audinalism. Most American newspaper pub-

lishers contend that it is their duty to maintain a free flow of information that requires that they adopt as few restrictions as possible on the advertising of legal products.

Mark Smith, a spokesman for Brown & Williamson, said that The Times's action has symbolic, rather than practical, weight, because it is a large na-tional newspaper. More than a dozen other American newspapers refuse cigarette advertising, among them The "Deciding on the acceptance of ad- Seattle Times, The Deseret News of Salt

The Times also does not accept advertising for a variety of other legal tional Laboratory in California, said the expose our readers to advertising that products, like handguns, Mace or tear

The ban only applies to The Times, "If you've got the source code and the amounted to less than 1 percent of the not any of the company's other newspapers, which include The Boston Globe. "All of our newspaper properties have the autonomy to make decisions about the advertising they accept." Ms. Nielsen said. The Times is a half-owner of the International Herald Tribune.

bacco unit of British American Tobacco
PLC, was published Monday. No others

Arthur O. Sulzberger Jr., publisher of
The Times and chairman of the company, said he did not consider cigarette advertising a free-speech issue.

"The First Amendment gives the press the right to publish what it chooses to," he said. "It doesn't force the press to publish something, whether that's a news story or an advertisement. We continue to support the right of other enters the anti-smoking side of a long- publications to run any advertisement

### **OBUCHI:** Warming Up for U.S.

that government spending was only a modest part of the solution and suggested that there may be only so much that he or any other official can do to revive the economy, which has been in an onagain, off-again slump since the early 1990s. Noting that the greatest part of the Japanese economy is private YMCA.
consumption, he added, "We The son of a member of are somewhat concerned that Parliament, Mr. Obuchi won

He said there were some areas where the government could help, such as promoting the housing industry and deregulating the economy. But he gave no indication that he was planning any dramatic deregulation or stimulus pro-

Mr. Obuchi and Mr. Clinton also will discuss U.S. military bases on the southern PT-109 tie clip on this trip but Japanese island of Okinawa, where bases are concentrated and opposition to them has raditionally been strongest. But the opposition has lost cial American guest resisteam in the past few years, dence of Blair House, and Japanese public support "Back in those days, the for the bases and for the mil- YMCA was the cheapest States now seems stronger

United States are the very - Blair House. No charge!"

Continued from Page 1 foundation of Japanese foreign policy;" Mr. Obuchi
said Wednesday. "My own
plementary budget," he said.
Mr. Obuchi emphasized

foundation of Japanese foreign policy;" Mr. Obuchi
said Wednesday. "My own
perception of Japan-U.S. relations is that they are at their best and most stable since Japan opened its doors to the outside world."

Mr. Obuchi has long been friendly to America, and on Wednesday he recounted how, as a college student in 1963, he visited the United States for the first time, staying in Washington at the YMCA.

personal consumption so far a meeting with Robert has not yet shown a rising Kennedy, who was then the attorney general, and he was given a 1960 "Kennedy for President" tie clip showing the PT-109 boat that John F. Kennedy had commanded when fighting Japan during World War II. Inspired by that example, Mr. Obuchi said, he has used

tie clips in his own campaigns in Japan. He said he was thinking about wearing the was afraid he might lose it. On this trip to Washington Mr. Obuchi will enjoy fancie

accommodation, at the offi-

itary alliance with the United place in Washington, \$1.50 a Spates now seems stronger night," Mr. Obuchi said, rehan ever. letting to me me and the sper cheaper "Our relations with the this time will be even cheaper."

### In Tomorrow's IHT

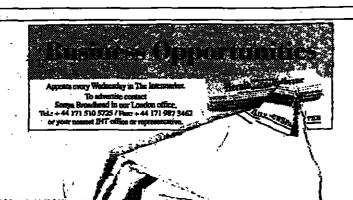
# eisure

Travel deals, art exhibits, restaurant reviews and movie guides are just a few of the things you'll find in the Leisure pages. Written with the international reader in mind, this column offers a broad range of options on how to spend leisure time, regardless of where in the world you may be traveling.

Herald MERNATIONAL Cribune

Every Friday in the International Herald Tribune.

THE WORLD'S DAILY NEWSPAPER





### ASLA/PACIFIC

# **Hopes Grow** In East Timor Of Disarming Militias Soon

By Michael Richardson International Herald Tribune

SINGAPORE — Appearing to fall in line with orders from the Indonesian government and top commanders, the military chief in East Timor said Wednesday that pro-Jakarta militias which have been widely blamed for killing and terrorizing supporters of in-dependence in the disputed territory would soon be disarmed.

They will be disarmed in the coming weeks," Colonel Tono Suratman said in the East Timor capital, Dili.

He was referring to militia groups that foreign officials say have been backed by hard-line elements in the Indonesian Army and police force in order to disrupt a planned United Nations-organized vote on the future of the territory on Aug. 8 so that East Timor does not become independent and set a precedent that other parts of Indonesia would try to follow.

Colonel Suratman's assurance came as Australian officials said Wednesday that the Indonesian president, B.J. Habibie, had agreed to sign a UN-brokered package of measures on East Timor that includes a section committing Jakarta to disarm rival political groups in the territory and ensure the neutrality of the Indonesian armed forces that will have primary responsibility for providing se-

curity in the run-up to the August vote.
Indonesia invaded East Timor in 1975 and annexed it in 1976. Jakarta has since had to battle pro-independence guerrillas and to contend with UN disapproval and international opprobrium. Mr. Habibie changed Indonesian

policy in January when he announced that Jakarta would consider allowing East Timor to separate if it rejected an offer of wide-ranging autonomy.
But the militias' use of force and terror

in the territory since then has cast doubt on the credibility of Jakarta's new policy and drew strong condemnation from the United States, the European Union, Australia and other countries that are providing argently needed loans and aid to Indonesia to help it recover from its worst recession in more than 30 years.

The Australian prime minister, John Howard, who held talks on East Timor with Mr. Habibie in Bali on Tuesday, said that he had no reason to doubt the sincerity of commitments made by the

"There has been a strong commitment made by the Indonesian govern-



An Indonesian police officer carrying a flag of the Free Aceh Movement after removing it from a government building in Lhokseumawe, Aceh, one of several Indonesian regions where separatist movements are active.

ment to the holding of an open and clean body we reject it, refuse it," the militia ballot," Mr. Howard said on his return to

He said that there had been a recent shift in both the government's control of the Indonesian military and in relation to

the military's activities in East Timor. There is a realization that things have to change, and things have begun to change," Mr. Howard said. "How far

leader, Jose Estevao Soares, said after meeting the British junior Foreign Office minister. Derek Fatchett, in Dili, Renters reported. "We are ready to face any situation

including going up to the mountains and fighting for 23 years or even longer,"

Mr. Soares said

But another East Timorese militia

Australian officials say that the Indonesian president has agreed to sign a UN-brokered package of measures including a section to disarm rival political groups.

they've changed, how effective that change has been, is obviously something that we have to see unfold," he noted, adding that the "world will suspend judgment until those events take place."

Pro-independence groups and other critics of the Indonesian military expressed doubts that the East Timorese militias would be disarmed quickly or completely - a step that is considered vital if a reasonably free and fair vote is to be conducted, and the results accepted without further resort to violence.

Heightening such concerns, the leader of one of the militias said Wednesday that he rejected the plans to hold the Aug. 8 vote and threatened to create more trouble in the already tense and divided

'For us, we are trying to tell every-

leader, Eurico Guterres, said that he welcomed the arrival of the United Nations, as long as it remained neutral.

'I just ask that they come with a neutral attitude and act in a way that truly helps all groups." he said, adding that after the UN observers' arrival, his group will disarm if the pro-independence groups also surrender their weapons.

Most analysts expect that unless fear distorts the voting, a majority of East Timorese will reject the Indonesian autonomy offer and opt for independence because of their bitter experience of repression and human rights abuses by the Indonesian military since former President Subarto authorized the invasion of the former Portuguese colony, and Indonesia's highest constitutional body made it an Indonesian province in 1976.

Mr. Habibie said Tuesday after meeting Mr. Howard in Bali that he would approve UN proposals for organizing and securing the autonomy-or-indepen-dence vote without any changes so that the deal could be signed by Portugal, Indonesia and the United Nations in

New York by May 5. The Indonesian armed forces commander and defense minister, General Wiranto, who also attended the Bali wiranto, who also altended the Ball talks, said that foreign police officers would be sent to East Timor starting next month to "give assistance to the Indonesian police."

But he said that they would only be advisers as part of the UN presence and

would not form a UN peacekeeping force as demanded by pro-independence groups that do not trust the Indonesian military

Australian officials said Wednesday that they expected the first UN police to arrive in East Timor early in May and that the Australian government expected the officers to be able to play enough of a supervisory role to deter violence between rival political groups.

Mr. Habibie said that he had asked six nations - Australia, Japan, the Philippines, Germany, Britain and the United

States — to help supervise the voting.

Australia on Tuesday promised 20 million Australian dollars (\$13 million) to help Indonesia pay for the cost of the Ang. 8 vote in East Timor, more than half the estimated \$30 million it will take

# Indonesia, Unprepared, Mally in Lill Gets Ready for an Election As Decision

June 7 Balloting Is a Step Toward Democracy

By Seth Mydans New York Times Service

JAKARTA - Indonesia is holding its breath. Ready or not, it is about to leap into the second phase of its transition from 32 years of dictatorship with an election - just six weeks away - that will shape the post-Suharto era.

Though the election has been planned for months, it is fraught with uncertainties, from unresolved technical questions to the possibility of violent rivalries and attempts to derail the balloting.

The election, scheduled for June 7, will be the first step in a complex process of selecting a 700-member body that is to choose a president in November. No one of the parties is expected to win a majority. The leading parties will be happy to win 30 percent of the vote. Intense coalition-building is expected after the election.

It will be the first democratic vote in this nation of 200 million people since the 1950s and the capstone to the uprising that forced former President Suharto from power last May.

But with competing interests - political and religious rivalries, major economic fieldoms, an unsettled military and a plethora of armed groups - and with election preparations far behind schedule, many analysts are bracing for confusion, electoral disputes and violence.

"We don't want to see more dead victims in the process of democratization," President B.J. Habibie said re-"We all want to see a smooth, cently. peaceful election. Otherwise disaster is waiting for us."

Since Mr. Suharto took power in 1965, no one has ever lost a presidential election in Indonesia. No surprise. Mr. Suharto was always the only candidate.

A do-or-die contest with 48 parties

will be a new experience, with unpredictable results. "We are probably heading for a very chaotic election," said David Timberman, an American elections analyst. There is far too much that needs to be done with far too little time and far too

few resources Even the best-case scenario will probably be characterized by a great deal of ad-hoc-ism and improvisation, which in turn will lead to confusion, inconsistencies and, as a result of that, a great number of disputes and controversies. There is nobody who knows how this is

going to turn out.' A Western diplomat said, "The diplomatic community expects serious violence in May and June, but it has very,

very little idea who may be behind it why or what the consequences might be for the election.

"I am relatively optimistic that the election will take place and that the votes will be distributed relatively fairly," the diplomat said. "I expect we'll see a lotor violence and, in the end, see some kind of coalition emerge."

Hari Tchan, a political analyst with the Center for Strategic and International Studies, said the greatest threat of instability would come from a possible victory by Golkar, the political party formed to protect the interests of Min. Suharto. It still dominates the govern

Golkar is the party of President Habible, who is resented by many in the political elite because of his ties to the past. He was Mr. Suharto's vice president. This taint, along with sharp internal rivalries, make it unclear whether Mr. Habibie will be the party's pression idential nominee.

"If the forces considered to be prostatus quo win, people will just not accept that," Mr. Tchan said. "There will be prolonged disturbances, prolonged

Though the country's many competeing groups have, for the most part; swapped street demonstrations for electoral politics, the momentum still ape pears to be with the forces of change. An outcome that does not bring a clear-cas end to the Suharto era will not be widely accepted, Mr. Tchan said.

But Mr. Habibie has overturned much of the legacy of his mentor and intro-duced a vividly open new style of leads

For the moment, the capital is strike ingly calm. The disruptive student demonstrations and violence of four months ago have disappeared from the streets. The collapse of the economy has become a way of life, with people hunks ering down in more frugal and limited

An outbreak of communal violence that has taken hundreds of lives this year in several remote areas has not, so far spread to the capital or had a significant. political impact here.

But the potential for widespread violence remains, particularly as Indonesia's economy continues to founder. The local eruptions have mostly involved long-suppressed ethnic, religious and, separatist conflicts, issues that are reflected across Indonesia.

They could flare spontaneously or be provoked for someone's political gain, at any time.

BRIEFLY

### APPEAL TO ALL STATES TO COMMIT THEMSELVES TO THE CHEMICAL WEAPONS CONVENTION

"The Chemical Weapons Convention entered into force two years ago - on 29 April 1997. It is a historic milestone in the efforts by the international community to prohibit and eliminate an entire category of weapons of mass destruction - chemical weapons - under strict and effective international verification and control. The Organisation for the Prohibition of Chemical Weapons (OPCW) is the Organisation which is legally and politically responsible for the full and effective implementation of the Convention. It therefore makes a significant contribution to enhanced international peace and security in our time.

As Director-General of the OPCW, I appeal on this solemn occasion to all states which have not yet done so, to ratify or accede to the Convention, and in this way to share in the creation, for themselves, for their children and for ours, of a world which will forever be free of the threat of these terrible weapons.

Such an occasion must also be marked by a recognition of the remarkable contribution which the 121 member states of the OPCW have already made towards realising the dream of a world free of chemical weapons.



Let us all resolve to enter the new millennium, leaving behind us the legacy of chemical weapons for the sake of peace and prosperity

José M. Bustani Director-General of the OPCW

### THE STATUS OF INTERNATIONAL SUPPORT FOR THE CHEMICAL WEAPONS CONVENTION, (as of 29 April 1999)

Number of States Parties:

Number of States which have signed but not yet ratified:

Number of States which have not yet acceded:

STATES PARTIES TO THE CHEMICAL WEAPONS CONVENTION STATES PARTIES TO THE CHEMICAL WEAPONS CONVENTION

Albania, Algeria, Argentina, Armenia, Australia, Austria, Bahrain, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Chile, China, Cook Islands, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Ecuador, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Finland, France, Gambia, Georgia, Germany, Ghana, Greece, Guinea, Guyana, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Latvia, Lesotho, Lithuania, Luxembourg, Malawi, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Morocco, Namibia, Nepal, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saint Lucia, Saudi Arabia, Senegal, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Suriname, Swaziland, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Togo, Trinidad and

Swaziland, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Togo, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Viet Nam, Zimbabwe.

### STATES WHICH HAVE SIGNED, BUT NOT YET RATIFIED, THE CHEMICAL WEAPONS CONVENTION

Afghanistan, Azerbaijan, Bahamas, Bhutan, Cambodia, Cape Verde, Central African Republic, Chad, Colombia, Comoros, Congo, Democratic Republic of the Congo, Diibouti, Dominica, Dominican Republic, Estonia, Gabon, Grenada, Guatemala, Guinea-Bissau, Haiti, Holy See, Honduras, Israel, Jamaica, Kazakhstan, Kyrgyzstan, Liberia, Liechtenstein, Madagascar, Malaysia, Marshall Islands, Micronesia (Federated States of), Myanmar, Nauru, Nicaragua, Nigeria, Rwanda, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, San Marino, Sierra Leone, Thailand, Uganda, United Arab Emirates, Yemen, Zambia.

### STATES WHICH HAVE YET TO ACCEDE TO THE CHEMICAL WEAPONS CONVENTION

Andorra, Angola, Antigua & Barbuda, Barbados, Belize, Democratic People's Republic of Korea, Egypt, Eritreal Federal Republic of Yugoslavia, Iraq, Kiribati, Lebanon, Libyan Arab Jamahiriya, Mozambique, Palau, Sao Tome & Principe, Solomon Islands, Somalia, Sudan, Syrian Arab Republic, Tonga, Tuvalu, Vanuatu.

# **Beijing Gives a Late Scolding** On Religious Cult's Gathering

Anwar's Wife Speaks in Manila

MANILA — The wife of Anwar for her cause and expressed its unease Brahim, the jailed Malaysian dissident with Manila.

By Seth Faison New York Times Service

SHANGHAI -- The Chinese authorities broke their official silence Wednesday on the recent demonstration in followers of a religious cult called Falun generally peaceful and orderly except Gong, calling the gathering "completely

A report by the Xinhua news agency, carried in several newspapers and broadcast on state television and radio, acpotential protesters not to try anything.

"This kind of gathering affected the Communist Party's Central Committee the masses, and was completely wrong," the report said. "Actions endangering social stability and the life of trail Beijing where China's leaders live and work. Followers of Falun Gong surprised the authorities by surpound in central Beijing where China's leaders live and work. Followers of Falun Gong surprised the authorities by surpound in central Beijing where China's leaders live and work. Followers of Falun Gong surprised the authorities by surpound in central Beijing where China's leaders live and work. dangering social stability under the pretext of practicing gigong must be pun-ished according to law."

Qigong is a broad category of tra-ditional Chinese teaching that believes by Li Hongzhi, a qigong master whose following became so large that he left China under pressure from the authorities two years ago and now lives in New

leader, arrived here Wednesday to seek

support for her husband and meet with

President Joseph Estrada, in a visit that

has already strained ties between the two

In a speech before a civic group here,

Azizah Ismail denounced what she

called corruption and abuse of power in

Malaysia. "A new wave of change has

more aware that the struggle between

right and wrong is an eternal one and is

Taking her crusade for reforms to a

not irrelevant to their condition now."

ceals the evil of abuse of power, cor-

ruption, nepotism and cronyism in my

Mrs. Azizah, who leads a faction known as the Social Justice Movement

in Malaysia and has spearheaded Mr. Anwar's crusade for change since his

arrest last September, arrived here Wed-nesday with her eldest daughter, Nurul

Male had defied objections by the

government, which feared harnad

Mrs. Azizah said.

zah, and an aide.

swept the country that has made people said.

The statement Wednesday, relatively mild by today's standards, reflected the ambiguous and wary position of China's government toward qigong followers. They represent a potential threat to Communist Party control that is amorphous the heart of Beijing by more than 10,000 and difficult to contain. Yet they are when suppressed.

"Government officials have never banned people from practicing in vari-ous kinds of qigong," the report said. "People are allowed to voice different knowledged that the protest had oc-voices and opinions, but they should curred and seemed to try to warn other express their views and opinions through normal channels rather than gathering around Zhongnanhai."

Zhongnanhai is the compound in cen-

compound Sunday. The report Wednesday said that the gathering was sparked by "rumors," without specifying what they were. It also said that government officials, on that human energy can be channeled to orders from senior leaders, "listened improve physical and mental health, earnestly" to complaints by the demheal illness and, when mastered, to onstrators. Yet the report did not confirm achieve supernatural powers. Falun or deny whether Prime Minster Zhu Gong is a particular sect of qigong, led Rongji personally met with representatives of the group, as many followers claimed.

Above all, the report appeared to be intended to urge calm and deter any

that she would use the trip as a platform

On Tuesday, Malaysian officials summoned the Philippine ambassador in

Kuala Lumpur to convey their displeas-

Mrs. Azizah was invited as a personal

guest of former President Corazon

Aquino and her trip should not be

viewed as Philippine interference in

Malaysia's affairs, Mr. Estrada has

Mrs. Aquino's husband, the late op-position leader Benigno. Aquino, was imprisoned during the rule of Ferdinand

pressed support for Mr. Anwar and con-

sidered boycotting an international fo-

ago to six years in prison for corruption

and is facing additional charges of sexu-

itics, he was fired as deputy prime min-

ister and finance minister last September

by Prime Minister Mahathir bin Mo-

Mr. Anwar was sentenced two weeks

Once a rising star in Malaysian pol-

rum in Malaysia to protest the arrest.

are over the visit.

Marcos.

al misconduct

wider international audience, Mrs. foreign leader to publicly criticize the Azizah said her husband's "only crime jailing of Mr. Anwar, a former deputy

was attempting to lift the veil that conprime minister. Mr. Estrada openly ex-

### Ex-Khmer Rouge **Executioner Found**

PHNOM PENH - The chief of the security service of the Khmer Rouge, who ordered the torture and killing of at least 14,000 men, women and children in the late 1970s, has been found, the Hong Kongbased Far Eastern Economic Review reported Wednesday.

The discovery of the man known as Duch was to appear in the current issue of the weekly magazine. A British photographer, Nic Dunlop, and a Review reporter, Nate Thayer, who in 1997 became the first autsider to see the notorious kuther Rouge leader Pol Pot in 18 years, met the 56-year-old Duch.

Duch disappeared when the Khmer Rouge was toppled in 1979 and was long presumed dead.

Duch told the Review that he was sorry for the killings and was willing to face an international tribunal. His emergence could increase pressure on Prime Minister Hun Sen to bring other Khmer Rouge leaders to trial. In theory, Duch could be a key witness, able to implicate those above and below him. Only one senior Khmer Rouge figure, the hard-line General Ta Mok, is in custody awaiting trial.

### Bus-Train Crash Takes Toll in India

BAHRAICH, India - At least 39 people died and 35 were seriously injured when a train rammed into a crowded bus in the north Indian state of Uttar Pradesh, officials.

The bus was carrying 74 villagets to a wedding Tuesday night when it. was rammed by a train at a level crossing that did not have gates to regulate road traffic.

Indrajit Verma, administrator of Bahraich district, where the accident took place, said there were no casualties aboard the train.

Mr. Verma said the crash site was about 80 kilometers (50 miles) northeast of the state capital of Lucknow, near the border with

### For the Record

La Niña may bring more big the state-run Xinhua press agency; duoted a senior official as saying a La Niña, a swelling of cold water in the Pacific Ocean off the South America coast, is the antithesis of the Pacific warm-water phenome non El Niño, which helped cause? severe floods in China last sum-

(Reuters)

[ محكدا من الدين

(AP, AFP)

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### **EUROPE**

# Many in Europe See War As Decisive Moment for Integration and Identity

By Roger Cohen New York Times Service

BERLIN - A month of war m Europe has already brought deep changes to the Continent, awakening a new sense of European patriotism, re-kindling tensions over "American im-

Raised after World War II to reject mit meeting last weekend suggested that military violence but also to ensure that support for a land war is limited. the barbarism of Hitler and Stalin never be repeated, a generation of Europeans has been abruptly forced by events in Kosovo to a painful choice between

these principles.

In general, they have come out in favor of using military power to try to stop the of using military power to try to stop the 'ethnic cleansing' of Kosovo and have increasingly portrayed the fate of the province as a decisive test of Europe's 21st century of the mass deportations and killings that marked this one.

Ludger Volmer, deputy foreign minister of Germany and a member of the ternal politics of the Continent, one that once pacifist Greens party, said: "We have to fight for our Europe, where boundaries no longer matter, against old notions of a Europe of ethnic identity. and race-based violence. An integrated Europe with an open wound in the Bal-

10 Table 11

BRIEF

Despite the unconvincing results of more than four weeks of bombing and the failure of past appeals to rally to a European, rather than national, ideal, such ideas have had a surprising resonance as image after image of desperate ragged refugees hounded from Kosovo has filled newspapers and television screens.

. A majority of people in Britain, France, Germany and Italy support the military campaign. A poll last week in Erance showed 70 percent in favor of the

### BRIEFLY

### Death Is Sought In Ocalan Trial

ANKARA — The trial of the jailed Kurdish rebel leader Abdullah Ocalan on treason charges opened here Wednesday, with prosecutors calling for capital punishment, the NTV news channel reported.

It was the first legal move agains
Mr. Ocalan since his captains Kenya and forced return to Turkey. \_in mid-February...

In an indictment submitted to the court Wednesday, the prosecutors detailed acts allegedly carried out by Mr. Ocalan's Kurdistan Workers Kurdish self-rule and called him (AFP) responsible, NTV said.

### **UN Agency Urges** Halt of Executions

GENEVA -- The United Nations human rights agency on Wednesday called for a worldwide moratorium on executions as a preinde to abol-

ishing the death penalty.
The UN Commission on Human Rights, holding its annual meeting in Geneva, approved the resolution on a vote of 30 to 11 with 12 abstentions. Among those voting no were the United States and China, long criticized by human rights groups for the use of capital pun-

### For the Record

ACROSS

10 Surefcoted goal

14 Runway walker

15 End of a Bauxa

1 "What do-

6 Hindu hero

Elections to pick the next Italian president will begin May 13, the speaker of the lower house of Parliament said Wednesday. Italian presidents are elected by members of the upper and lower houses meeting in joint session with special regional delegates.

29 Swung, so to

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intervention by the North Atlantic Treaty Organization. Support for Chan-cellor Gerhard Schroeder of Germany has surged as his chief preoccupation has

become war rather than unemployment. Indeed, such is the popular support that the British and French governments have feltable to go further than President perialism' and reviving the sagging for-bill Clinton in suggesting the use of tunes of some leaders.

Bill Clinton in suggesting the use of ground forces, although the allies' sum-

> "We have to be ready to die for Pristina," Andre Glucksmann, a wellknown French philosopher, said, refer-ring to the capital of Kosovo, "because to die for Pristina is to die for the future

"Americans have died for Europe twice," Mr. Glucksmann added. "Now we have to make sacrifices to show this province as a decisive test of Europe's Continent will no longer tolerate commitment to a continent freed in the policies that recall Stalin."

Further, European's have been looking to their own future. Many see the conflict as a decisive moment for the incould give Europe the political and mil-itary identity it has lacked even as economic ties have strengthened.

Images of trainloads of deportees, of stunned refugees with unseeing eyes, have stirred terrible memories. In a Europe no longer divided by the Cold War, the images have prompted a de-termination to act, and to establish a Continent-wide respect for human rights that will serve as the basis for the Europe of the next century.

But this bold new determination to salvage Europe's pride after a wounding century, a determination embodied most emphatically in the oratory of Prime Minister Tony Blair of Britain, is by no means shared by everyone.

With a U.S. general directing the

NATO military campaign, deep concern or outright anger over European dependency on Washington and over what some see as America's control over the post-Cold War world has surfaced.

Deploring Europe's premature decision to cash in the "peace dividend" and cut military spending, Foreign Minister Lamberto Dini of Italy said: "The United States cannot be the gendarmes of the world, nor the mercenary soldiers for countries that do not intend to assume military responsibility."

In a distinctly anti-American tone, Albania's airfield, while one French intellectuals have portrayed the NATO bureaucracy. the war in Kosovo as the latest attempt by

not a war against the Serbs," Denis and its heavy equipment to preparing for Duclos, a French sociologist, wrote in the French daily Le Monde. "It is a war against Europe." Disguised as a fight for a certain morality, it is in reality a certain morality, it is in reality as the server mobile forces but officials say struggle to "stamp out definitively any hope of a multipolar planet," he wrote.

Such anti-Americanism is not new in France; but its tone has been sharpened by events and has found strong echoes among small leftist parties, though not with the dominant center-left forces.

European-American relations has been averted, although one could develop if the current confusion turned into a debacle. A rupture in relations with Russia has

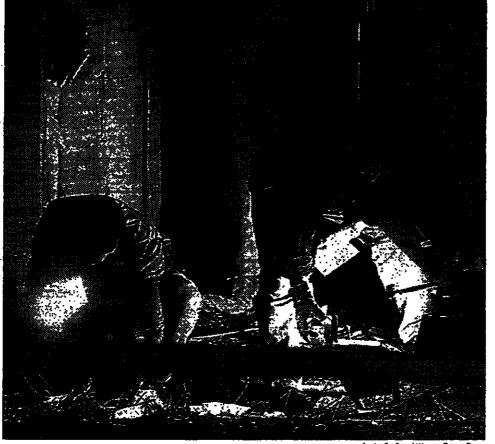
also been avoided, and Western governments now seem determined to back a Russian-led peace bid because President Boris Yeltsin's influence in Belgrade is considerable. Whatever the outcome of this diplomacy, concern is strong that Moscow not be alienated.

After Europe's profound failure in Bosnia, the desire to assert a political and military identity with a success in Kosovo is strong.

And with the arrival this year of the common Boropean currency, the euro, the Continent has been seeking a new catalyst for political and military integration.

Kosovo could be our military euro,

creating a political and defense identity for the European Union in the same way as the euro is the expression of economic and financial integration," said Ulrich grow as aides to the NATO supreme Beck, a professor at Munich University.



Anti-terrorist police sifting through the debris at the Athens Intercontinental Hotel.

### **Leftist Guerrillas Claim Athens Hotel Bombing**

ATHENS — A woman was killed and a man was seriously injured in a bomb attack at the Intercontinental Hotel by a leftist group protesting NATO's bombing of Yugoslavia.

Police said the time bomb, placed at one of the hotel's entrance went off late Tuesday while the hotel was being evacuated after a warning call by an anonymous caller.

"There was not enough time to evacuate the building, with the explosion taking place less than 15 minutes after the call," a police

The victims were attending an economic conference at the hotel near the city center. Most of the ground floor suffered substantial

damage.
Police cordoned off the hotel and blocked traffic on the busy avenue that connects the capital with the airport.

The anonymous caller said he was from the leftist urban guerrilla group Revolutionary Nucleus, which has bombed state buildings and foreign banks since emerging in 1996. The group later sent a letter to an Athens newspaper saying the attack was "an answer to NATO's

Anonymous callers claiming that more bombs were about to go off spread panic to a number of other hotels, including the Athens

Hilton, which were also evacuated by police.

"The attack is condemned by all Greeks," the government spokesman, Dimitris Reppas, told reporters on Wednesday. "It

underlines the need to step up our efforts against terrorism."

Greece is a NATO member but also a traditional Serb ally. Recent polls showed more than 90 percent of the population opposing the North Atlantic Treaty Organization's air strikes.

Greece estimates it has suffered damages of up to \$1 billion from lost tourism revenues and blocked trade routes through Yugoslavia. The guerrilla group last hit in December with two bombs that damaged the American Express and Barclays bank branches in the port of Piraeus but caused no injuries.

# War Highlights Shortfall in U.S. Troop Mobility

By Eric Schmitt and Steven Lee Myers New York Times Service

WASHINGTON — Ever since the Gulf War, the Pentagon has tried to transform its forces into lighter, mobile units able to intervene swiftly in the world's trouble spots. But as the war in the Balkans has shown, the military is anything but the "expeditionary" force it wants to be.

Despite the expenditure of billions of meant to give the U.S. military rapid global reach, the Pentagon's war effort in the Balkans has struggled to overcome the obstacles inherent in moving military might thousands of miles.

Even dispatching two dozen Apache helicopters from Germany to Albania has taken a month as the Pentagon juggled the need to provide aid to refugees with the austere conditions of Albania's airfield, while wrestling with

The reasons for such delays vary Washington to satisfy the appetites of its from the fact that the Pentagon has only military-industrial complex, undermine recently begun to reshape its transportation to the fact that few experts, after the United States has enjoyed since the the Cold War, envisioned fighting a ma-Soviet Union collapsed. jor land war in the Balkans. Instead, the "The undeclared war in the Balkans is Pentagon shifted much of its attention jor land war in the Balkans. Instead, the

ler, more mobile forces, but officials say that no matter the shape of army divisions, sending large numbers of troops has always and will always take time. The United States and many NATO

mong small leftist parties, though not rith the dominant center-left forces.

Up to now, it appears that a crisis of role. But with prodding from Britain and France to update the assessment of what troops could be needed to wage a ground war, the North Atlantic Treaty Organization has signaled a new willingness to at least consider using ground forces to evict the Yugoslav Army from

But there is still neither the political will to mount an invasion of Yugoslavia nor the ability to do so any time soon. Pentagon and NATO officials said it would take two to three months to assemble a force large enough to do the job, depending on its exact mission. NATO planners would need at least a couple of weeks just to prepare the de-

When NATO first addressed the issue last autumn, alliance planners estimated that 75,000 troops would be needed to invade Kosovo and as many as 200,000 ground forces to take control of all of Yngoslavia. These numbers are likely to commander, General Wesley Clark, up-

"If we had an option - a planned long and drawn-out proposition from the overwhelming force. Mr. O'Hanlon addeployment to using it,' General Henry ded that a lack of foresight, as much as Shelton, the chairman of the Joint Chiefs of Staff, told Congress recently.

No other country has the means to the way the United States can. But American strategy still rests on a simple fact: Even the best forces are no good if dollars in the 1990s on ships and aircraft they cannot get to the front quickly there by now."

> The time needed is such that winter could arrive just as NATO assembled a ground force large enough to rout Serbian forces in Kosovo, which is accessible from the south only through Some military experts say NATO and

the Pentagon have the ability to move more rapidly into the Balkans but, so far,

option for ground forces — it would be a driving planners to consider only using division — in the Netherlands, Germany logistics, would contribute to delay.

"If the administration had its head anywhere above water when this move military forces around the globe began," he said, "they would have already been thinking about the need for ground forces. If they had started to send, say, a week into the war, they'd be

The collapse of the Soviet Union — A light infantry division of 11,000 followed by the Pentagon's struggle to soldiers, which can be flown most anyamass the forces necessary to drive Iraqi troops out of Kuwait in 1991 - prompted the military to rethink how it dispatches forces to deal with crises in far-

flung parts of the world. After the Gulf War, all of the U.S. armed services moved to make themselves more agile. But many of the new

date their assessment in the next few tagon could deploy a smaller force — withdrew much of its stockpiles from such as an assault division — within a Europe. The army now has stocks for month, though a fear of casualties was only three brigades --- not even a full . and Italy.

Any significant ground force de-ployed to fight in Yugoslavia would have to rely on equipment transported from the United States.

The army has outlined a strategy for moving its forces, known as the Strategic Mobility Program. Under this plan, the army sets goals for moving different sizes and strengths of troops.

where fairly quickly, is supposed to arrive within 12 days. The heavier divisions take longer. Two heavy armored divisions — with 34,000 troops and 101,342 tons of equipment -- should be able to arrive in Europe from the United States within 30 days.

But the heaviest force under the lack the will to do so.

Michael O'Hanlon, an analyst at the Brookings Institution, said that the Penmajor war in the Balkans, the U.S. Army

methods are still evolving.

strategy, five divisions and more than 100,000 troops, would not be expected to arrive for 75 days.

### Q & A / Nursultan Nazarbayev .....

### Kazakhstan Backs Russia on Kosovo

al Herald Tribu

Kazakhstan, a former Soviet republic, is one of the most Asian of the Partnership for Peace countries that met last weekend with their NATO counterparts in Washington. Reaching from the Caspian Sea to China, it covers five times the area of France. President Nursultan Nazarbayev, who has been praised for maintaining stability in his country but increasingly criticized for autocratic rule, spoke in Washington to Brian Knowlton of the International Herald Tribune about his view, and the impact on Russia, of the Kosovo crisis.

Q. What is Kazakhstan's position on the crisis in

A. We share the position of Russia that the bombing should be stopped, while at the same time stopping the Serbs from pushing the Kosovars out of their country, and we should sit down and negotiate.

We are pleased to see that the politicians who support the idea of a peaceful solution are becoming more and more active—the German foreign minister, the secretary-general of the United Nations. The Russian politicians are very active, and we hope it will lead to a solution.

Q. From your perspective, as part of the former Soviet Russia.

Union, how badly have Western relations with Russia been That damaged by the Kosovo crisis?

meeting and ignored the Washington summit. Relations are really bad. Q. What about the impact on politics within Russia?

A. The relationship has suffered

immensely. Russia, of course, can-

celed its presence at the NATO

A. An election to the Duma, or

state Parliament, and the presidential elections are coming up there. Every political group is trying to

use this crisis, playing to their conraising its head.

stituencies, and nationalism is

I'm more concerned with that sort of development than with the Russian relationship with the West. Russian generals have started talking about

NATO almost as an enemy, just as they did during the Cold Thus, finding a peaceful solution for the Kosovo problem would be beneficial for the development of democracy in

That is why I told the IMF that we should provide assistance to Russia, and not isolate it politically.

### **CROSSWORD**

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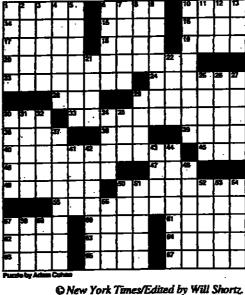
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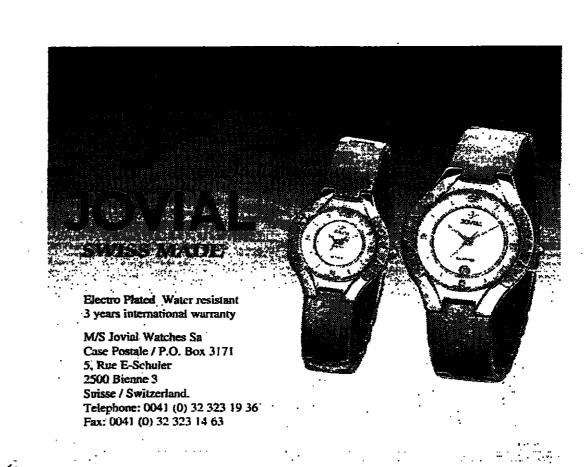
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# Herald Tribune.

# **Protesters in Beijing**

Beijing last Sunday by members of a spiritual sect was the biggest protest in Crima's capital since the pro-demo-cracy demonstrations in Tiananmen Square 10 years ago. Yet China's leaders allowed the peaceful sit-in to go on all day right outside the top leadership's compound, and there are reports that Prime Minister Zhu Rongji met with several members of the group. The government has responded cautiously because the group represents a popular social movement. China's leaders are hoping to control a phenomenon whose ancient antecedents brought down several Chinese dynasties, and which presents a challenge of uncertain dimensions to Communist Party rule.

The government estimates that Buddhist Law, the nonviolent sect that staged the protest, has 70 million adherents in China. Members practice a form of qigong, an ancient Chinese belief in the healing and even supernatural powers of harnessing a specific bodily energy. The sect mixes qigong with Buddhism and opposes consumerism, rock music, television, extramarital sex and use of alcohol. Its leader, Li Hongzhi, was pressured to leave China and now lives in New York.

Qigong has not always been associated with nonviolent activities. In the third century a qigong-style movement that used faith healing and predicted the end of the world took over a fourth of the country and helped bring about the fall of the Han dynasty. Similar movements in the Middle Ages and the late 18th century led to violent upheavals. Qigong was also central to the Boxer

The large, silent demonstration in Rebellion against foreigners early in this century, as the fighters believed that qigong protected them from bullets.
Today, in a time of rapid modern-

ization, unemployment, mass migration to the cities and a relaxation of Communist Party control of people's private lives, qigong is once again growing. It is so popular, and such a part of Chinese history, that many party leaders themselves practice some form of it. They cannot simply dismiss it as foreign, their typical slur on the democracy movement.

In the 1980s, the Communist Party began trying to attract support by adopting aspects of popular ancient doc-trines, like Confucianism and qigong. It endorsed the ancient notion that qigong beliefs were part of Chinese medicine.
The leadership's strategy this week seems to be similar. It wants to avoid responding harshly, which could alienmillions, and is trying to betriend the sect's leaders and use its support to

increase the party's legitimacy.

While normally any organized challenge to the Communist Party is something to applaud in China, students of Chinese history are wary of Buddhist Law. Hundreds of qigong organiza-tions have sprung up around China in recent years. Some are simply health and exercise groups, but others are being used by demagogues. Especially if the economy slows, China can ex-pect even more rapid growth in a movement symptomatic of people's search for meaning in a time of uncertainty. Whether it will be constructive for China remains to be seen.

### Time for Gun Control

The Colorado school massacre has generated what amounts to a national conversation about causes and cures. raising issues as simple as school security, as delicate as parental responsibility and as complex as the biological and cultural roots of teenage violence. This discussion could well lead to a more alert and safer society. But there is one blindingly obvious issue that should be addressed right away — the issue of gun control.

Congress, nervous about the gun lobby, is divided on the subject. The public, we suspect, is not divided at all. at least on the matter of keeping guns and explosives out of the hands of young people. The Colorado tragedy has provided the right moment to take the issue of gun control off automatic pilot, where it has been for years, and move it forward in a dramatic way.

President Bill Clinton seems to have sensed that such a moment may be at hand, that the country may be at one of those rare turning points where the weight of public shock and anger creates the conditions for major legislative change. On Tuesday he offered a solid package of gun control measures. The package, a mixture of old measures ignored by Congress and several new initiatives, offers no guarantee against a repetition of the Colorado horror. No law can do that. What these measures would do is reduce the risk by making it harder for disturbed young people to obtain guns and explosives.

Such change will not come easy in this Congress. Republican leaders have expressed a wish for a national forum on "youth and culture," a clear indication that they prefer to talk about anything other than gun control. The Democrats, many of whom attribute their congressional losses in 1994 to that year's vote to ban assault weapons, seem equally skittish. "I'm not sure that gun control is what we need," said their leader in the Senate, Tom Daschle, who preferred to dilate about violence on the Internet and in the media.

Yet Mr. Clinton's package is one around which the public and Congress. if it will only open its eyes and ears, can usefully rally. Its key elements deserve thorough debate and an up-or-down vote in both Houses of Congress by midsummer. We can think of no better legislative gift to the students who will be returning to school next fall.

Several provisions are aimed at closing off the ways in which young people lay their hands on weapons. One would raise the minimum age for possessing handguns to 21. Federal law prohibits federally licensed gun dealers from selling handguns to anyone under 21, but allows 18- to 20-year-olds to possess handguns and even to buy them from unlicensed sellers, such as an

older friend, which may be how the Colorado shooters obtained some of their arsenal. Another proposal would ban juvenile possession of semiautomatic assault rifles, as well as imports

- THE NEW YORK TIMES

of high-capacity ammunition clips.

A third provision would hold parents criminally liable when they "knowingly or recklessly" allow a child access to a weapon that later causes death or injury. Sixteen states already have such laws, and they have helped reduce violence. A fourth provision would require dealers, manufacturers and importers to provide a child safety lock with every gun. This proposal could be strengthened by requiring that the locks be pre-installed at the factory. Congress could go a step further by underwriting "smart gun" technology to prevent the firing of weapons by people other than authorized users.

The president also recommended

updating the 1993 Brady law, which requires a background check of handgun buyers and has prevented more than a quarter of a million felons from obtaining handguns. Mr. Clinton would extend the Brady background check to the sale of explosives, and close a big loophole that allows people to evade a check by buying guns at gun shows or flea markets. At the same time, Congress needs to plug another loophole identified by Senator Charles Schumer of New York, by prohibiting gun sales over the Internet.

Mr. Clinton endorsed for the first time the notion of limiting individual gun purchases to one a month - an antidote, in effect in some states, to illegal traffickers who make bulk purchases in states with weak gun control laws and sell guns to youngsters in states

This is a big package. But this is the right time to push it. The National Rifle Association is at least temporarily on the run, in the states and in the courts. And the public is eager for change.

—THE NEW YORK TIMES.

### Other Comment Guns Are Why, of Course

The country resounds with wails of "Why why, why?" Guns are why, of course. The number in the United States: 220 million and counting. Immediately, the switchboard of the Washington headquarters of Handgun Control Inc. lit up. What its president, Robert Walker, called "a tidal wave of calls" swamped the staff. They came from people who had no trouble making the connection between the Colorado high school's blood and tears and

the obscene availability of firearms. - Mary McGrory, commenting in The Washington Post.

### Herald Eribune

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# Serbs' Methods Are the Scandal, Not Their Goals

PARIS — Serbs, with some hon-orable exceptions, seem unable to concede that the cause of their war with NATO is not the goals they have for the Serbian nation but how they have gone about getting what they want.

NATO has never sought Kosovo's separation from Serbia. The Western nowers have defended Kosovo autonomy, not independence. They have now set peace terms that logically imply independence — withdrawal of all Serbian forces and installation of a foreign troop presence -- because President Slobodan Milosevic's program to expel ethnic Albanians from Kosovo has left them no alternative.

The Western powers do not want a "Greater Albania" incorporating Kosovo. They believe that a merger of Kosovo with Albania would produce trouble in Macedonia and invite further difficulties in Greece and Bulgaria.

The U.S. State Department and the West European governments have aiways acknowledged that Serbia faced serious problems in dealing with Kosovo. Serbia has a historical claim to the province, but Serbs there have been a declining minority. Kosovar nationalism is a developing force.

Serbia revoked Kosovo's autonomy

in 1989. When that inevitably produced demands for national independence and the creation of a "liberation army, Serbia made the infamous decision to terrorize and expel or murder a sufBy William Pfaff

ficient number of Kosovar Albanians to rectify the demographic balance.

The West also acknowledged Serbia's earlier problem with Croatian and Slovenian secession from Tito's Yugoslavia. Serbia's position was comprehensible, and the problems were potentially negotiable. The United States firmly backed Belgrade's position on maintaining the federation. Although Slovenia and Croatia claimed independence at the end of 1990, and declared themselves independent in June 1991, the United States and the European Union did not recognize them until the beginning of 1992.

The urgent Serbian concern was what would happen to the long-established Serbian community in eastern Croatia. Once the Slovenes had successfully resisted federal military intervention, the Milosevic government let Slovenia go. There were no Serbs there.

In Croatia there were more than half. a million Serbs. Once again, the prob-lems were potentially solvable. The European Union intervened, but with measures that failed to stop the drift toward war. Croatia's leaders, like Serbia's, had whipped up ethnic passions and resurrected ancient hatreds.

Belgrade backed the Krajina Serbs' campaign to intimidate and "ethnically cleanse" Croatians from the re-

stroyed it. The Belgrade authorities had created and backed a secessionist movement that succeeded through ter-

rorism and atrocities against civilians.
The same thing followed in Bosnia-Herzegovina. When Sarajevo declared Bosnian independence, Serbian forces seized two-thirds of the country, ex-pelling the Muslim population.

Once again the Serbs had a tenable

argument: They said that the Serbs in Bosnia who did not want to live in a predominantly Muslim state should be free to join Serbia. But the methods by which they attempted to achieve that goal were atrocious.

This is why the democracies condemned the Serbs and defended the Bosnians. The Serbs practiced systematic ethnic persecution while the Muslim majority in Bosnia was defending, at least in principle, a secular and nonethnic state - a Western democracy.

The West has become the enemy of Slobodan Milosevic's Serbia because his government's response to each of the challenges presented to it since 1991 has been atrocious violence against civilians. Serbs, generally, re-fuse to accept that this is the expla-nation. But it is true.

If Belgrade had sought Western support in searching for peaceful solutions to its problems, it would have found it.

gion of Croatia where Serbs were in the majority. They laid siege to the ancient that in their failed attempt to unite the strong of Vukovar and eventually destroyed it. The Balanced authorities had Serbian people in a single country, they have murdered their ethnic rivals, or humiliated them through rape and expulsion. Serbia is hated today for what it has done, not for what it has wanted Serbs must grasp this if they are to emerge from this crisis successfully.

The democracies' reproach is that after our experience in the first and second world wars the democratic community can no longer tolerate murder, terrorism, rape, pillage and deportation as instruments of government.

That is why NATO must not neon the demands made when the NATO intervention began: withdrawal of all Serbian forces from Kosovo, return of all the refugees, installation of a foreign armed forces to miscreate the Kosovars' armed force to guarantee the Kosovars' security (as well as the security of Serbs who may wish to remain in Kosovo).

Anything less would ratify the methods by which Serbia has waged its wars against its fellow members of the old Yugoslavia. To allow the Milosevic government a more advantageous setelement of this war than it could have obtained at the Rambouillet conference would ratify purge, atrocity and ethnic cleansing as instruments in in-ternational relations.

International Heruld Tribune. Lus Angeles Times Syndicate.

### NATO Needs to Stop Imagining a Kosovo Deal With Milosevic

WASHINGTON — U.S. and European policymakers assume that Slobodan Milosevic will yield control over Kosovo at some indeterminate point rather than take more aerial pounding from NATO. This assumption flies in the face of the accumulating evidence. It needs to

be revised urgently. NATO has miscalculated Mr. Milosevic's intentions toward Kosovo at least since last autumn. With the prideful NATO summit out of the way. it is time for the alliance's leadership to admit and correct that underlying error. Persisting in misreading the Serbian dictator now would be criminal.

Basic assumptions shape strategy in ways that are rarely re-examined as military campaigns proceed. Washington and its European partners have assumed all along that Mr. Milosevic would do anything to stay in power, including mak-ing a deal with the West on

By Jim Hoagland Kosovo, if just enough force were applied. This assumption has NATO's generals fighting entire ethnic Albanian popua Goldilocks war, searching for the serving of violence that is neither too hot nor too cold. I spent time at the NATO

summit last weekend trying to understand the original miscalculations and how they may shape the immediate future. American and European officials predicted to each other "only one sure thing" through an autumn and winter of

threats and negotiations with Belgrade, according to one knowledgeable official who told me: "Milosevic would not yield Kosovo through negoti-ations alone. We knew it would take bombing, accom-panied by the Serbs' wiping out the Kosovo Liberation Army bases and some civilian

losses. Then we thought real negotiations would begin. But Mr. Milosevic respond-

lation of Kosovo the target of a savage campaign to depopu-late the province. The KLA collapsed completely, and Milosevic began a total war," said this official, who was deeply involved in the effort and who

equested anonymity.

Joschka Fischer, Germany's foreign minister, said the al-liance had no alternative: "It was only in going through the experience of discovering that Milosevic was capable of this, which no one predicted, that we have arrived at the support we have in our democratic societies for what we are doing now. I don't accept that it was a miscalculation.

But Mr. Milosevic knows that he caught the United States and its European allies by complete surprise in March. Form suggests that he is likely

to up the ante again in dramatic fashion when the bombing be-gins to threaten his rule.

That may be wrong. The air war may still work. It should be intensified and prolonged, not abandoned. This is still the est-case scenario.

But the worst case, a widening of the war on the ground initiated by the Serbs, should now become the primary focus of strategy, not a backup possibility that is fitfully thought about when time permits.

Assuming that Mr. Milosevic will pull the temple down around him and that NATO forces will soon be fighting Serbian soldiers on the ground in the campaign's main event provides the best chance of avoiding that outcome. Chan-ging the essential assessment of his intentions would force policymakers to meet the hard choices that he is likely to throw at them.

NATO's leaders took some precautionary steps in this di-

rection at the summit. The movement of U.S. armored helicopters and vehicles into Albania and more allied ground troops into Macedonia is in-tended in part to provide protection for those shaky governments. But the main emphasis of strategy and declared policy continues to be use of the air war to compel Mr. Milosevic to accept NATO's demands.

I asked the foreign ministers of Britain, France and Germany at the summit what they would change or do differently on Kosovo with the benefit of hindsight. Their separate answers were uniform: There was nothing they could think of that the international community could have done to change the course of events. Mr. Milosevic has at each

turn left NATO with no decent alternative to waging more war. The alliance cannot continue to base its strategy on the assessment that he will change now.

The Washington Post.

# Washington and the 'Dollarization' of Latin America

VV more than a year of dis-

missing big ideas for reforming the world's financial system. the Clinton administration may finally have found one it likes 'dollarization' in Latin America, which would allow the emerging economies in the Western Hemisphere to use the dollar as their currency, much as members of the European

Union plan to use the euro.

Last week the Federal Re-

serve chairman, Alan Greenspan, Treasury Secretary Robert with strong laws, like New York, Rubin and Deputy Treasury Secretary Lawrence Summers all went on the record with careful statements signaling willingness to discuss dollarization with Lat-

in American leaders. The official Clinton administration policy is that it is neutral on the idea. But when pressed in Senate testimony last Thursday to explain the U.S. position, Mr. Summers put out a wary welcome sign. "It is absolutely not our intent," he said, "to close the door on the consideration of

Some Latin American countries are knocking hard on that door, and engaging in quiet conversations about adopting the dollar as their currency as a way of achieving financial stability and faster growth.

this issue by countries who have

Argentina's central bank governor has endorsed the idea. El Salvador is actively considering moving to a dollar eco-nomy. And the finance ministers of eight Central American countries are to meet in July to discuss the pros and cons. The seminar will take place in Panama, the only Latin country where the greenback is already the official currency. Panama is also the only Latin country where you can get a 30-year,

fixed-rate mortgage. Dollarization is even attracting support in Mexico, despite deep-rooted suspicion of the United States. A few weeks

eration of business groups urged President Ernesto Zedillo to support dollarization. He reiected the idea publicly, but some of his advisers privately have expressed interest

Latin Americans already hold a majority of their savings in dollars, and in Argentina, Bolivia, Peru and Uruguay at least 70 percent of all banking assets and liabilities are now dollar-denominated

Driving the policy debate is growing skepticism about the penefits of the flexible exchange rate schemes that Washington has been pushing in Latin America. In theory, flexible rates are supposed to make it easier for economies to adjust to external shocks like the Asian economic crisis. But even the Clinton administration's most devoted free marketeers recognize that it has not been working that way in practice. Too often, shocks have been amplified by flexible rates. Instead

helped spread the contagion. Treasury Secretary Rubin, in a carefully worded speech last week, conceded that after the recent financial typhoons, some countries may want to get off the floating casino. "Flexible rates generally allow more monetary policy independence and greater flexibility in response to

ago. Mexico's giant confed- shocks." he said. "But co tries with a history of extreme volatility understandably may show a preference for greater exchange rate stability.

Adapt 4 P. G. Grant

Advocates argue that by removing exchange rate volatility and uncertainty, dollarization would encourage much more foreign lending, and much faster growth. Indeed, some argue that dollarization could open the way for a sustained: boom in the hemisphere, like the boom that many expect in a .

single-currency Europe.
Dollarization would bind the U.S. economy more tightly to. Latin America. U.S. problems would become their problems, and vice versa. To take one obvious example, the Fed could decide to tighten monetary policy because of inflationary pressures in the United States, forcing up interest rates in Latin. America regardless of their needs or desires.

But Latin America is already buffeted by its links to the U.S. of containing the Asian crisis, a economy, without getting the world of free-floating rates benefits of dollarization. Ricardo Hausmann, chief economist of the Inter-American Development Bank and one of the leading proponents of dollarization, notes that a change in U.S. interest rates of a single percentage point produces a nearly six-point swing in Mex-

ican rates. The Washington Post

# Yes to Kosovo, No to East Timor?

NEW YORK — There has been a flurry of highminded rhetoric from NATO leaders. British Prime Minister Tony Blair wrote in the April 19 international edition of Newsweek: "We need to enter a new millennium where dictators know that they cannot get away with ethnic cleansing or repress their peoples with im-punity. In this conflict we are fighting ... for a new interna-tionalism where the brutal repression of whole ethnic groups will no longer be tolerated."

Mr. Blair was referring to Kosovo and Serbia, not to East Timor and Indonesia. Yet in East Timor, paramilitary groups organized and armed by the Indonesian military have killed scores of defenseless civilians in recent weeks. It is no surprise that Mr.

Blair does not direct such lofty proclamations at East Timor. His Labour government has granted more weapons export licenses to the Indonesian military than the previous Conservative government.

The NATO allies demand complete Serbian troop withdrawal from Kosovo and an international military presence. Britain refuses to demand an Indonesian troop withdrawal from East Timor (for which Portugal remains the administering authority un-der international law) despite the fact that the territory is illegally occupied. Indonesia invaded it in 1975 and annexed it in 1976, an act never recognized by the United Nations.

By José Ramos-Horta

NATO's leaders threaten senior Serbian officials with a war crimes tribunal. For East Timor, where massacres and ethnic cleansing have been going on for 23 years, there are no suggestions of such a tribunal for Indonesia's military leaders, many of whom have received training in NATO countries. Indonesia receives mild rebukes and gets hun-dreds of millions of dollars in weaponry and billions of dollars in loans and grants.

East Timorese paramilitaries backed by the Indonesian military have recently intensified their killing and intimidation directed at those who support independence. This has continued despite the signing of a peace pact last week in the East Timor capital, Dilli, in the presence of Indonesia's armed forces commander and Defense Minister General

Wiranto. Overall, the European Union has taken a mild approach. As the sinuation in East Timor continues to deteriorate and evidence mounts of the Indonesian military's direct complicity in the killings, additional

steps are clearly necessary.

Most NATO leaders have merely expressed "concern." Some have called for "all sides" to cease hostile activ-

ple, not responding to military attacks from pro-independence guerrillas and their activist supporters. There are no UN resolu-

tions supporting self-determi-nation for the people of Kosovo. In the case of East Timor, the world community has recognized its right to self-determination on numerous occasions. Both the UN Security Council and the General Assembly have condemned the invasion of East Timor and demanded Indonesia's immediate withdrawal.

The overwhelming majority of East Timorese support independence. They are not calling on NATO to bomb Indonesia. They want NATO countries to cancel all military deliveries to and training and joint exercises with Indonesia. and expel Indonesian military attaches from the capitals of NATO countries.

NATO should also freeze all bilateral financial transfers to Jakarta, and pressure the World Bank and the IMF to do the same until Indonesian soldiers and police end their state terrorist activities in East Timor.

The writer, an East Timorese Nobel Peace Prize laureate, is vice president of the National Council of Timorese Resistance, an umities shough they know that the important military and its Est est proxies are st anghering enseless peo-

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Midwest Cyclone NEW YORK - A destructive

cyclone swept over Kirksville, Mo. Forty-nine bodies have been recovered from the ruins and identified, but the mayor of Kirksville, who is actively engaged himself on the work of rescue, believes that at least one hundred people perished, while the injured may run to about a thousand. The storm broke over Kirksville with tremendous fury, sweeping a path a quarter of a mile broad through the eastern portion of the town, 400 buildings being demolished. A heavy rain followed, accompanied by intense darkness, and the utmost confusion prevailed.

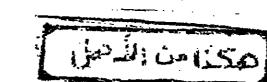
1924: No Melting Pot

WASHINGTON - The door leading towards a more amicable settlement of the Japanese immigration question is slightly ajar. Senator Reed has talked the

matter over with the President. He said the measure marks a new epoch on the immigrant policy; and continued: "We are no longer the haven of refuge for the oppressed of the whole world-We found we could not be, and, now we have definitely aban doned that theory. America will. cease to be the melting pot."

1949: Ruhr Authority LONDON - The Western

powers set up the authority. which will direct Germany's industrial Ruhr Valley in production for peace. The United. States, France, Great Britain, Belgium, the Netherlands and Luxembourg signed an agree ment for the International Ruhr Authority. The authority provides for a system of inspection. Its object is to permit the Ruhr from again becoming an industrial war-making machine, as it. was under Adolf Hitler and Kaiser Wilhelm



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### **OPINION/LETTERS**

### Death of the Nation-State, Birth of a Unified Europe

By Geneva Overholser

it is a strange thing to say, but one remarkable change has emerged from the post-Cold War era.

her new book "The Rebirth of mate the change that has emerged Europe," she is talking about the from the crisis.

European Union, that assemblage A particularly But she is talking, too, about the today by Slobodan Milosevic. On the eve of the 21st century,

a miracle occurred," she writes. "Europe was reborn."

Europe, continues the longtime Christian Science Monitor corre donia and Bulgaria "want to be spondent, "is pioneering a postnational, postmodern pooling of sovereignty that is supplanting the nation-state system of the past three centuries. Europe's transfor-

Europe 20 years ago I found talk of and Serbia, and the other states in a common European community one of those grand and fuzzy ideas that are endies by debated by excome to little. Over ensuing years, American and all the combine of continuous and all the combine of combines of c icans have held to this story line -

After the Cold War, and after a decade and a half of "Euroscierosis," the old abstract notion of a European community began to look to a number of politicians like a real possibility.

In "one of the rare moments in history that is fluid, when we can affect what happens," leaders like former Chancellor Helmut Kohl of Germany decided to bring real change — "a qualitatively new method of organizing nations."

"The era of the nation-state is thtion gathering. The new era is one of collective decisions, depolicy, in judicial matters, European integration is proceeding

WASHINGTON—Given the steadily, and the American media savage war in the Balkans, have largely missed the story.

The integration is difficult, of course. Americans have noted the birth pangs, said Ms. Pond. while and that is a peaceful and unified Europeans experience the birth. core Europe.

When the veteran journalist European Union development," Elizabeth Pond makes this point in and outsiders tend to underesti-

A particularly hopeful aspect of of nations which has joined in these developments in Europe is common cause in far more power- that the idea of getting accepted ful ways than Americans realize. into its institutions is an immensely powerful force. The "disciplinary promise that this new Europe holds 'effect' of "a desire to join the to counter the old patterns of ethnic clubs," the EU and NATO, is batred so dramatically symbolized a strong. To gain admittance, nations must have democratic elections. civilian control of the military and observance of human rights.

Already there is dramatic evidence that countries like Macecivilized, European and trans-Atlantic, and the way you do it is to get rid of these ethnic harreds." Ms. Pond's view recalls re-

marks by President Bill Clinton to mation will challenge us economically and psychologically. The world's sole superpower is not yet prepared for the shock to come."

Like Ms. Pond, when I lived in real question is whether Kosovo countries of southeast Europe is that Europeans "can't get their act integration into a Europe in which together," as Ms. Pond said in sovereignty matters, but in which washington recently. But they have done so, and dramatically. negative sense."

Europe's own attitude toward Kosovo has been a powerful thing to see, Ms. Pond said. "It's striking how in Europe, the last week in March, after less than a week of bombing, Kosovo ceased to be a tactical issue and became a moral issue," amid developing feelings that there must be "no more holocausts — that we as Europeans cannot tolerate this in Europe."

The enlargement of NATO, while admittedly controversial and over in central Europe," Ms. Pond said at a Brookings Instipositive shaper of political developments in central Europe," Ms. cisions by consensus. Not only Pond said, strengthening the economically, but in foreign movement toward stabilization and multiethnic societies. The Washington Post.

W Wind the Control of The Evolution of Warfare DEGRADE THEIR
COMMAND AND CONTROL
INFRASTRUCTURE WHILE
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DAMAGE, INTRODUCING
GROUND TROOPS ONLY
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A PERMISSIVE
ENVIRONMENT. CHARGE! HITTHE BEACH

### LETTERS TO THE EDITOR

### The Colorado Shooting

Regarding "Ban Handgurs Now" (Editorial, April 27): I wholeheartedly echo the sen-timents expressed in this editorial.

The next presidential election must be an opportunity for American politicians to take a stand on an issue that has been manipulated by interest groups for far too long. The statistics of gun use and availability in the United States are simply incomprehensible to so many of us in other countries, and even more incomprehensible is the complete failure to do anything about them.

I hope that, when the campaigning starts, the American people use their democratic power to effect painfully necessary change.
SUNIL AMRITH. Cambridge, England.

Children brought up on vicious video games, violence on television and in films can readily visualize taking it one stage further for even greater kicks. And then you get the likes of the Littleton massacre. How much more carnage do we have to witness before responsible adults see this cause and effect relationship?

PETER B. MARTIN. Valprionde, France.

The fact that one of the teenage killers regularly used the Internet is one more reason to restrict what may appear there. No sensible violence is "as American as cherry pie," prompt one to reflect that the United States labors under

person should consider freedom of speech at risk if guides to bomb-making and other such topics were banned.

JOHN H. TURNER.

I find it a disgrace that your reports did not even raise a simple, terrible question in the first place: Why did the SWAT Rambos let four hours pass before deigning to intervene in this nightmare? Why was the emergency 911 number unreachable from this bloody place? Why are we paying taxes for such imbecility?

BERNARD COHEN. Castillon Savès, France.

What happened to the mythology of SWAT teams that are trained and paid to take risks to save people in danger? The similarities to Somalia, Bosnia and Kosovo are striking. As the French general Philippe Morillon said, U.S. armed forces train soldiers who kill but never risk dying. ERIC FENSTER. Montreuil, France.

Regarding "In America's New West, the Violence Is Real" (Meanwhile, April 27) by Patricia Nelson Limerick:

Ms. Limerick's observations on the violent history of the American West, substantiating as they do H. Rap Brown's remark that the legacy of two original sins: slavery and genocide. Perhaps it is because of its need to continue expiating these sins that, in its foreign policy, the country feels so often tempted to assume the role of liberator of the enslaved and protector of endangered peoples. LEO PRADO.

### Not Hooliganism

In your story "A New Dimension in Soccer Violence" (April 27), the Hillsborough Stadium disaster in Sheffield, England, was described as beginning "after hooligans started a panic.

Survivors and the bereaved have spent 10 years fighting this kind of lazy reporting. As the report of the inquiry by Lord Justice Taylor es-tablished, the disaster was caused when the police opened a gate they should not have. Fans were then misdirected into two small pens that were already full. The situ-ation was exacerbated when the police refused to open gates at the front of the pens.

The report said quite explicitly that hooliganism had nothing to do with the disaster. This is not a matter of interpretation but is established fact, and for your paper to perpetuate such a pernicious myth is deeply troubling when you enjoy such an enviable reputation for faithful and accurate journalism. CHRIS MAUME.

London.

### In Berlin, Being Haunted By Ghosts of the Holocaust

By Stephen Greenblatt

BERLIN — A few years ago in Berlin I picked up an innocuous-looking pamphlet marked "Bus Stop" and threw it on the passenger seat of my rental car, along with a handful of similar

Stuck in a traffic jam a few days later, I began to leaf through the bus schedule's departure and arrival times, with the thought that I

### MEANWHILE

might find a more convenient or at least less stressful way to get across town. But I could not find my destination listed, and the more I looked at the schedule, the more peculiar it seemed.

Some routes were local to the Wannsee, for example, the city's loveliest lake, or to the town of Oranienburg, a few kilometers to the north, but others were to cities at some distance from Berlin, such as Weimar, Ravensbrück and Dachau, and still others crossed national borders, heading for destinations in Lithuania, Hungary, the Czech Republic, Poland, France.

I began to get a funny feeling about this bus schedule, a feeling that many visitors to Germany, and certainly Jewish visitors, at some time or other experience. It is the sensation of being haunted.

In the neighborhood where I am staying I get it every time I walk through the long tunnel that leads to the Grünwald S-Bahn station: a queasiness that came over me even before I learned that many of the 55,000 Berlin Jews who were killed in concentration camps began their journey from this spot.

Back in my apartment I looked more carefully at the list of destinations and saw that the dozens of detailed arrivals and departures included Babi Yar, Bergen-Belsen, Treblinka, Majdanek, Auschwitz. The small print below each entry did not include further ticketing details but rather information on the crimes committed by the Nazis at these sites.

Bus Stop was not the workaday timetable I had taken it to be; it was a provocation, a reminder, a memorial. It was, it turns out, a failed proposal, passed over by the commission responsible for judging the entries in the international competition for the Holocanst Memorial.

For more than a decade, Germans have been planning, revising and debating the construction of a Holocaust memorial at the

center of their new capital. The issue is not, as you might) think, a reluctance to commemorate the Holocaust. Though most traces of the past have been covered over in Berlin, many Germans seem committed to ac-? knowledging repeatedly, volubly, crimes of the Third Reich.

For all its cosmopolitan energy, Berlin sometimes seems one huge, cerie memorial, from the museum west of the city in the Wannsee villa, where the Final? Solution was formally planned, to? the aptly named Topographic des Terrors in the east, where the Gestapo had its headquarters.

On the way to the opera, you see the empty shelves that mark the site where the books were burned in 1933: on the way to the boutiques on the Sophienstrasse, you pass the plaque commemorating the Jewish old-age home that the SS turned into a deportation center, on the way to the Winterfeldplatz Market, you see a sign recalling the Nazi! regulations forbidding Jews from buying fresh eggs and milk.

There are plenty of nasty ex-ceptions in Germany, of course, but no society has more thor-oughly and systematically repudiated its past and sought to remember its victims.

This self-definition has made? the Berlin Holocaust Memorial seem at once so important and so impossible to build. It has become apparent that no design will ever prove adequate to the immense symbolic weight it must carry.

One day last week, near the Brandenburg Gate, I walked past? the site of the proposed memorial. a huge empty field of mud. Perhaps the best course at this point would be to leave this site empty. to abandon it to weeds.

All it would need then, as a German acquaintance of mine suggested, is a simple sign noting that the German people had tried to create an adequate memorial and had failed.

The writer, professor of literature at Harvard, is general editor of "The Norton Shakespeare." of 'The Norton Snakespewe.

He contributed this comment to! The New York Times.

### THE MITT MAN

By Mel Taylar. 372 pages \$24. William Morrow.

Reviewed by Richard Bernstein

THE time is pre-World War II in America, and the setting of "The Mitt Man," Mel Taylor's combustible first novel, is the racial frontier of Southern life. A smart grifter known as King Fish, who lives on the treacherously jazzy margins of New Orleans black society, gets caught trying to pick the pocket of an outsize winte racist preacher named Malcolm Cage. While pointing his stacked-barrel derringer at him, Cage sees the spark of genius in King Fish and decides to turn him into a preacher.

"You're different, ain't you?" is the way Cage expresses his conviction about the man who just tried to rob him. King Fish "ain't like no" black man "I ever met," Cage tells him. "Shows in

So begins Taylor's raw and rowdy tale of corrupted ambition and racial tragedy, which stretches from Baptist revival meetings to the malignant interior of a Southern chain gang. "The Mitt Man" is a strong debut by a writer of rough-edged power who, according to the publisher's publicity notes, spent a decade or so in prison himself and won a long battle against cocaine addiction before turning to fiction.
"The Mitt Man" is part "Cool Hand

Luke," part "Elmer Gantry," part "Invisible Man," with a dash of "Midnight Cowboy" for good measure. As an artistic whole, it is marred by a maudlin ending and an occasional loss of nar-rative control. But overall, "The Mitt Man" - the term refers to a con artist who exploits the religious fervor of his dupes — is a fine, pulsating story whose roots go deep into the violent, primordial American racial cataclysm. Two figures dominate the action of

Taylor's book. One is King Fish, who is along the spectrum of racial attitudes already in his late thirties when we meet and actions. Cage is a patronizing sort of black club on the outskirts of New Or-leans. King Fish is "a true 'slickster,' a skilled pickpocket and cardsharp'' who uses Scripture, in partnership with his lady friends, to disarm his victims and

lady friends, to disarm his victims and gain a kind of racial advantage.

"In a small twisted way," Taylor writes. King Fish's scams "struck a blow for the colored race, proved colored folks were smart after all."

When King Fish is set up as a preacher by his victim transd benefactor. Malby his victim-turned-benefactor, Malcolm Cage, he sees the simation as an opportunity to continue the hustle. King Fish "believed this crazy cracker could

show him the way to big money."

Taylor's other main figure (along with a large and vivid cast of minor ones) is Jimmie Laman, whose path crosses that of King Fish's in prison, where he learns the finer arts of cardsharping and other swindles from the master. Jimmie is a very different character from King Fish. He is from Ohio. He was a football star in high school and college. He goes to New York to make his fortune, but there he is swept up into a world of easy sex, nightchubs and street hustling not all that different from the older King Fish's down South. When an act of impetuous vengeance

brings the career of King Fish to an end, he passes the torch to Jimmie, whom he instructs in the mitt man swindle. But Jimmie, who begins this new career with the necessary cynicism, becomes trapped in a complex psychological web of greed, guilt and creeping religious conviction. He ends up in a corrupt muddle reminiscent of the disillusioned visions of Sinclair Lewis or Theodore Dreiser. Two other related themes haunt Taylor's boisterous story. "The Mitt Man" is saturated with the spiritual and psychological calculus of race. Almost

to a kind of benevolent plantation, complete with segregated forms of spiritual solace. But he changes, largely under the influence of his wife, Lorene, who grew up on a real plantation and understands, in advance of her time, the nature and dimensions of the South's moral blindness. At the heart of the tragedy of "The

Mitt Man" is the undying racial un-fairness of American life, which makes for an interesting paradox: Both King Fish and Jimmie Lamar are petty crooks, but both run afoul of the law for actions taken outside the boundaries of their usual grifters' lives.

The other theme is sexual. Taylor gives play to several full-blooded female characters in "The Mitt Man" who play parallel roles in the lives of their violent, impenious men. The wom-en position themselves along the same cynical starting line as the men. Jimmie Lamar is introduced to the hustle by a woman named Masaya, who is already a seasoned pro when they meet.

But the women are quick to arrive at a point of moral reawakening that turns out to be impossible for their men. The result for the women is either redemption or loss. Whatever the result, the divide that separates them from their men in this novel is a kind of parallel version of the yawning racial gap that separates the men from the American promise.

"Ain't but two kinda people in the wurl," King Fish tells Jimmie Lamar in prison. "The ones that gives and the ones that takes, and know'n what ya gonna be is the difference between bein' a player or sucknh." Taylor's book gives a full understanding of that attitude, but it is also a tumultuous, profane fable on why it is inadequate as a guide to life.

New York Times Service

# Herald Eribune

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### BRIDGE

all of Taylor's characters are lined up

By Alan Truscott

TERE is a trick question: ing a computer? Yes, but it the diamond lead in his hand may take a long time. If you enter monthly for the Master Solvers competition, which has been an institution in The Bridge World magazine for more than half a century, you can become a champion at the The 1998 champion, in a Q 10 7

very large field, was Gary Powell of Austin, Texas. His bidding of the diagrammed deal in a duplicate game in his hometown did not hit the target, but his play was remark-able. At another form of scoring

reached the near-lay-down seven-club contract. But at match-points he headed for naling loudly, and West threw THERE is a trick question: match-points he headed for nahing foundly, and west and without leaving would outscore other pairs spade and his remaining heart. The heart queen was led from the

♦ K 9 5 **◆**AKJ9

he would probably have and cashed all dummy's clubs, noting the discards. Bast threw four hearts, sigspade and his remaining heart.
The heart queen was led from
dummy, covered by the king
and won with the ace. After

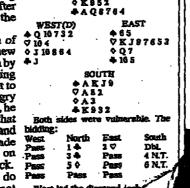
ending is shown at left.

Powell had a good idea of the distribution, and he knew of 18864 that he could make his slam by leading to the diamond bins. West threw a diamond the leading to the diamond king and continuing with the suit to endplay West. Instead, hungry for a match-point overtrick, he for a match-point overtrick, ne proceeded to make a play that was both remarkable and bidding: west risky. Judging that the spade queen was very probably on his left, he led the spade jack. Pass I do not believe it, you do not believe it and West did not

believe it. Sure that his partner must have a top spade, West played low and Powell

PD 9 K952 4 A Q 8 7 6 4 **4** 16 5 DARJ9 VA81 Fast 2 ♥ Pass Pass Pass

♥KJ87653



# **CribTech**

# Creator of Nintendo, a Hero to Young, Resists Lure of Violence

By Sharon R. King New York Times Service

AN JOSE, California — Shigero Miyamoto can hardly walk through the streets of this city unnoticed. Entering a restaurant here last month with a group of other executives, he was immediately recognized by a waitress and asked for his autograph, one of 50 he would give that day.

Mr. Miyamoto, 46, remains surprised by his American celebrity. Back home at Nintendo's headquarters in Kyoto, Japan, he enjoys greater anonymity. "They do not ask me for my autograph," he says.

Are you over 40 and unfamiliar with Mr. Miyamoto? Ask your children.

Officially, Mr. Miyamoto is general manager Nintendo Co., the \$4.5 billion Japanese giant, whose U.S. offices are in Redmond, Washing-

Unofficially, to most video-game software de-

velopers and aficionados, he is a deity.

"He's the god of gaming," said Jennifer
Pahlka, director of the Game Developers Conference, an industry trade show, which gave Mr. Miyamoto its first lifetime achievement award in March, the occasion of his visit to San Jose.

More specifically, he is the creator of more than 60 Nintendo game titles that have brought the company billions in sales. During his 22-year tenure with the company, which began around the turn of the century as a maker of playing cards, he has almost single-handedly made Nin-tendo the largest seller of video games in the

His games, like the Zelda series, Super Mario Brothers and Donkey Kong, are known as much for their complexity as for their artistry. In his vivid, three-dimensional settings, ocean waves swell and background sunset colors unfurl, making other developers' scenes appear static.

By Japanese corporate standards, Mr. Miyamoto is a nonconformist. His hair falls below his shirt collar, and he often works in a sports jacket, jeans, comfortable suede shoes and a Mickey Mouse tie.

E SAYS he likes to play the guitar and keeps a banjo near his desk. The desk, he adds, is piled with video games and other toys, in a space separated only by a low partition from the rest of his design team. He has no thoughts of ever working for another company.

In an industry where sales growth is traditionally driven by new consoles, the popularity of his games has helped Nintendo, which has not introduced a new console since 1996, remain the second-largest console maker, behind Sony

For now, Nintendo can afford to watch its rivals slug it out. Last year, half of the 10 bestselling video games were Nintendo's. Two were based on characters initially developed by Mr. Miyamoto, including the Legend of Zelda, Ocar-ina of Time, which was released in late Novem-

The game, a prequel to a Zelda title released in

United States. Sales of 100,000 are considered a success by the industry.

Mr. Miyamoto's presence at the game developers conference, however, signals that Nintendo is not relaxing. Lacking the buzz a new game system creates, Nintendo is using Mr. Miyamoto and his designs, both regularly feaest game developers to put their talents at Nintendo's disposal.

While Mr. Miyamoto, who has been hitting home runs for almost 20 years, shows no signs of stopping or changing his style, Nintendo is looking to other developers for the faster-paced mes necessary to counter rivals.

"We do have Miyamoto, but we do need some of entertainment analysis and development at of those edgier games to fill out the library," said Jim Merrick, a top executive at Nintendo of

Mr. Miyamoto regards game design as an artistic endeavor in which each project takes years, not as a way of delivering cheap thrills. And though many video-game players scream for gory shoot-em ups, crashing meteors and body-slamming wrestling, Mr. Miyamoto re-

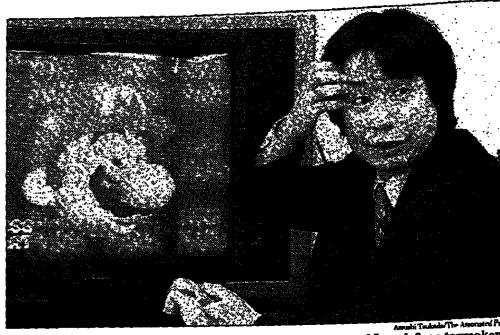
1997, has already sold 2.6 million copies in the fuses to respond to the easy lure of violence.

ROWING UP in Kyoto as one of three children of a homemaker and an English teacher (Mr. Miyamoto understands English but prefers to speak in Japanese), he loved to sketch cartoon characters and wander about. He still likes visiting new places, buying a map at a local bookstore and then exploring. And he cantured in video-game players' magazines, to its local bookstore and then exploring. And he can-advantage. He also helps lure the best and bright-not pass by a museum without having a look, even on business trips.

After graduating with a degree in industrial design from the Kanazawa Municipal College of Industrial Arts and Crafts, he was hired in 1977 as Nintendo's first staff artist, and initially designed posters and arcade games.

In 1981, he created the Donkey Kong arcade game, and later the video game, and in 1985, the first Super Mario game, featuring an Italian plumber with a droopy mustache. That character alone has generated more than \$5 billion in

Despite his huge success, he shows no sign of losing his humble perspective. Asked by a parent at the developers conference to offer video-game advice to his I I-year-old son, he signs this mes-sage instead: "Play outside on sunny days."



Shigeru Miyamoto at work on a Super Mario game: 'I'm so glad I work for a toymaker.'

# Reality vs. Fantasy: How Video Games Put Killing Into Play

**TELLING MARTIAN TIME: This** 

sundial is not your typical garden or-

The sundial, a three-inch (7.6 cen-

with a center post, will have a ring

more than 20 languages, including an-

future explorers, human or other, "a safe

and seasons as the sun moves around the

Martian sky. Because no one knows exactly how the spacecraft, a Mars Sur-

vevor mission to be launched in 2001, will land, sundial lines will be deter-

in January 2002.

By Denise Caruso New York Times Service

TEW YORK — By producing increasingly violent media, the entertainment industry has for decades engaged in a lucrative dance with the devil.

Over the years, parents and consumer groups have continued to sound alarms about the effects that violent films, television and ever-more-realistic video games are having on their children and society at large.

The response — from what may be the most influential industry in the world - has consistently been a kind of indignant shock that anyone would think a silly old movie or game could have a measurable effect on anyone.

"Kids can tell the difference between fantasy and reality," these executives have repeatedly asserted. "Why can't you?"

But a growing body of evidence suggests it is the producers who may be having a hard time telling the difference between their apologist fantasy and grim reality.

The evidence, say those who study violence in

culture, is unassailable: Hundreds of studies in recent decades have revealed a direct correlation berween exposure to media violence - now including video games - and increased aggression.

This is not because people cannot distinguish between reality and fantasy, but because ultraviolent media systematically employ the psychological techniques of desensitization, conditioning and vicarious learning.

ALT / Commentary

Dave Grossman, a former U.S. Army officer and professor at West Point and the University of Arkansas, says these are the same techniques that were used to great effect during the Vietnam War to increase the "firing rate" — that is, the percentage of soldiers who would actually fire a weapon during an encounter — from the 15 percent to 20 percent range in World War II to as

much as 95 percent in Vietnam.

Mr. Grossman has written "On Killing: The Psychological Cost of Learning to Kill in War and Society" (Little, Brown, 1995), in which he discusses how conditioning techniques were used to teach Vietnam-bound soldiers to kill automatically in battle encounters, yet respect authority and make split-second distinctions between friends and enemies

The difference, he says, is that today these same techniques are not tempered by such respect or distinctions. What is worse, he adds, they teach us to associate violence with pleasure.

America's adolescents spend countless hours quisitely detailed suffering and killing of human ensuing melee, he fired eight shots, hit eight beings — on television and in movie theaters, people and killed three of them. laces we associate with entertainment, pleasure favorite foods and the intimacy of dating.

Interactive video games, Mr. Grossman asserts, are even more directly connected to behavior. Addictive, increasingly "hyperreal" in their effects and long since shed of the goofy

monsters that were targets in the old days, contemporary video games often are what he calls "operant conditioning firing ranges with pop-up targets and immediate feedback, just like those used to train soldiers in modern armies."

S A RESULT. Mr. Grossman wrote:
"We are reaching that stage of desensitization at which the inflicting of pain and suffering has become a source of entertainment; vicarious pleasure rather than revulsion. We are learning to kill, and we are learning

The two boys apparently responsible for the massacre in Littleton, Colorado, last week were, among many other things, accomplished players of the ultraviolent video game Doom. And Michael Carneal, the 14-year-old boy who opened fire on a prayer group in a Paducah, Kentucky, school foyer in 1997, was also known to be a

Michael Carneal had never fired a pistol before watching action or horror movies — the ex- stealing the gun he used that day. But in the

The average law enforcement officer in the United States, at a distance of seven yards (6.4 meters), hits fewer than one in five shots, Mr. Grossman said in a interview in the current issue of Adbusters magazine.

When Michael Carneal was shooting, he

fired one shot at each kid." Mr. Grossman said. "He simply fired one shot at everything that

popped up on his screen."
Mr. Grossman's sentiments are echoed by Joel
Federman, co-director of the Center for Communication and Social Policy at the University of California at Santa Barbara. In his former job as the research director of Mediascope, a nonprofit policy organization that promotes media responsibility, he published an annotated bibliography called "The Social Effects of Interactive Electronic Games.

Although he says that only seven or eight studies specifically focused on aggression in interactive games, the majority of them showed that aggressive games increased the likelihood of gression just as certainly as violent television did. "In games," he said in an interview, "ag-gressive behavior is not only seen as appropriate, but you're rewarded for doing it well.

Mr. Federman drew a parallel between producers of violent media and the tobacco industry, which denied causality in the face of irrefutable evidence of a direct correlation between smoking

A study proving that TV or video games cause violence would mean that at least one study participant would be inspired to commit murder clearly an untenable ethical situation for the entertainment industry.

'Same as the tobacco industry, the evidence is Mr. Federman said.

Denise Caruso writes about electronic commerce for The New York Times.

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SALES CHARTER & INDUSTRY NEWS

week that should cut the cost of a personal computer by up to \$100.

The new 810 'chipset,' scheduled to Research appear in PCs in June, takes over the functions of more expensive processors for certain tasks, said Paul Otellini, the

company's executive vice president.
Chipsets manage some peripheral
components, such as moderns for connecting to the Internet, and data storage drives, as well as the display of graphic

In the past six months, Intel has made substantial gains with its Celeron microprocessor - the central brain for economy PCs - but has been trying to keep manufacturing costs in line with rapidly dropping PC prices. The new chipset adopts a strategy based on in-tegration, meaning it absorbs functions that formerly required multiple chips, pioneered by Cyrix Corp.

Mr. Otellini also announced a higherspeed Celeron running at 466 megaherrz, which began shipping in PCs on

ON-LINE AUCTIONEER EX-PANDS: EBay Inc., the No. 1 on-line auction company, said it would buy the traditional auction firm Butterfield & Butterfield Auctioneers Corp. for about \$260 million in stock as it adds highpriced art and collectibles to its service.

Butterfield was set to go public this week, selling 1.5 million shares for \$14 to \$16 each, valuing the company at \$96 million. EBay said the exact price it would pay would depend on the average price of its stock before the transaction is completed, which it expects this

\*\*EBay is using a very valuable cur-co it's faith easy for them to pay



This sundial of anodized aluminum will be placed aboard a space- natural step. Because Microsoft's soft-

mined once the craft's orientation is this premium," said Steve Weinstein, an Internet to millions of desktops quickly. analyst at Pacific Crest Securities Inc.,
who has a "strong buy" rating on eBay.
EBay is expanding as competition in fort that seeks to stumble upon and cre-

determined and will be superimposed on photographs of the sundial to be posted Mars lander, with the rings and colored tiles in the corners serving as a test to its service.

ike eBay has the market capital" to buy porated into our products in the long "an old established name" in auctions, "(NYT)" COST-CUTTING 'CHIPSET': In a said Lauren Cooks Levitan, an analyst at
BankBoston Robertson Stephens
Inc. (Bloomberg) move to regain its dominance in the market for microprocessors that power low-cost personal computers. Intel Corp. announced new technology this

JOINING INTERNET2 TEAM: Microsoft Corp. said it was joining the research coalition that is leading the development of the next-generation incan move data at speeds 1,000 times faster than the fastest communications lines used by corporations and universities today.

tions and network equipment makers, including AT&T Corp., 3Com Corp. and Cisco Systems Inc. Microsoft and International Business Machines Corp. are the software and hardware producers among Internet2's corporate members. is expected

prompt other software companies to join, said Doug Van Houweling, president of the University Corporation for Advanced Internet Development, which

oversees Internet2 projects.
Microsoft, which will contribute more than \$1 million a year in cash, software and services, says its growing research group has been increasingly working on software and services for high-speed networks, so that joining Internet2 is a craft due to land on Mars in 2002. ware is used on most personal computers, it could bring the next-generation

The device's other function will be to the on-line auction business intensifies. at the next big applications on the Inhelp calibrate a panoramic camera on the Amazon.com Inc., the largest Internet ternet," said Rick Rashid, vice president retailer, recently added on-line auctions of Microsoft's research division. "We can help see a lot of that technology "It's fascinating that a small upstart realized much more rapidly and incor-

DURACELL MAKERS SUED: The battery maker Rayovac Corp. has filed suit alleging that Gillette Co.'s Duracell has infringed two of Rayovac's patents for zinc air battery technology used in hearing aids.

The suit, filed Monday in U.S. District ternet — a highly reliable network that Court, asks for an injunction against the sale of Duracell zinc air batteries that infringe the Rayovac patents and seeks damages

Rayovac is the third largest U.S. man-ufacturer of alkaline batteries. Its hear-

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# The program, known as Internet2, is backed by 150 universities and about 15 corporations, mostly telecommunications in a state of the corporations and about 15 ing aid batteries hold a 58 percent market share. TECHNOLOGY

Technology stock indexes around the world: previous week Pacific Exchange Tech +18.20 S&P Tech Composite 1,370.27 +17.30 Morgan Stanley Eurotec 654.80 Topix Electric 1,956.76 Source: Morgan Stanley, Bioomberg News

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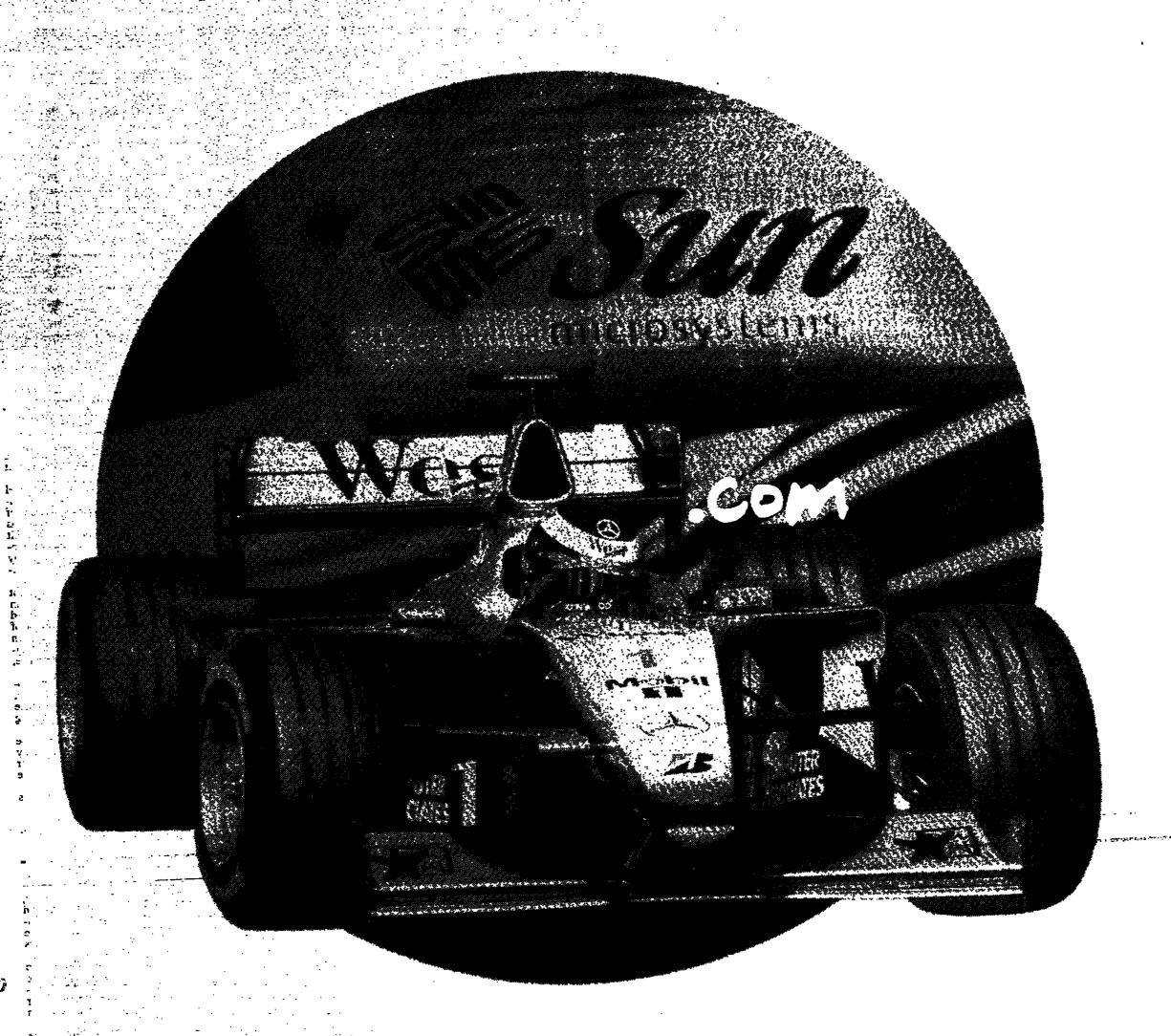
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We're behind the dot. Mika Hakkinen is behind the wheel. Everyone else is just behind. Speed, reliability. high performance. Sun has it. McLaren has it. Which makes them a mighty good match. And a power to be reckoned with. Our net-based technologies work for McLaren both on and off the track to make them the number one team in the world. From our enterprise systems to Java" software platform, Sun" technologies are not only used to design and test cars, they constantly monitor their every move. This allows the team to make on-the-fly adjustments so that Mika, once again, ends up in the winner's circle drenched in champagne. To find out where Mika uncorked his last bottle, check McLaren.co.uk. (Oh, Sun powers that, too.) THE NETWORK IS THE COMPUTER. We're the dot in .com."



# Iran, Libya and Sudan See Softer U.S. Stance

By Brian Knowlton tional Herald Tribune

WASHINGTON — President Bill Clinton has eased U.S. sanctions policy Mr. Eizenstat said. to allow food and medical items to be sold to Iran, Libya and Sudan, officials ties" would be exempted from future said Wednesday.

The move represents a softening of erroment in question is in an armed conpolicy toward three countries the United flict with the United States and is di-States has long viewed as supporters of terrorism and exporters of extremism. In August, it bombed targets in Sudan suspected of having connections to the ter-rorist Osama bin Laden.

In the case of Libya, which recently saw an end to United Nations-sponsored sanctions, the U.S. move constitutes an-made to permit the sale. other step toward a normalization of relations. The new policy would also exempt food, medical items and health equipment from future sanctions.

Sanctions mandated by Congress against Iraq, North Korea and Cuba, three other longtime foes, are unaffected

The new policy appears to reflect an increasingly pervasive view in the ad-ministration that sanctions are a blunt tool that Washington has been too quick to use to express its displeasure.

Undersecretary of State Stuart Eizenstat, who has made such criticisms, said Wednesday that denying food and medicine hurts innocent people, damages the U.S. image, strains relations with friendly countries, deprives U.S. companies of sales, and has little impact on targeted governments or leaders. Under the new policy, sales of food oil agreement with Iran.

and medical supplies would be approved if they reflect prevailing market prices, are conducted by nongovernmental organizations and receive no U.S. funding.

Items considered "human necessisanctions and embargoes unless the gov-

verting the supplies to its military. The action could permit sales of more than \$500 million in grain and sugar to Iran. Amid signs of moderation by the government of President Mohammed Khatami, several members of Congress have urged that a one-time exemption be

Mr. Eizenstat pointed out that the United States has already shipped thousands of tons of food to North Korea to alleviate a devastating famine, and that certain sales of medicine and medical supplies are now permitted to Cuba. Washington also supports a UN program to allow Iraq to sell oil if proceeds are used for humanitarian purposes.
UN sanctions against Libya were sus-

pended in early April after Tripoli turned over two Libyan suspects in the 1988 bombing of a TWA jet over Lockerbie, Scotland, for trial in the Netherlands. Some U.S. sanctions remain in place,

however, blocking Libyan access to some technologies, including oil-field equipment. European oil companies have continued to do business in Libya. Mr. Eizenstat also said a decision was nearing on Mobil Corp.'s request for an

**DIPLOMACY:** Dissenting Voice Silenced

Continued from Page 1

one pays in Belgrade for telling the

The maverick former opposition leader, who joined the government only in January, sounded a nationalistic tone after his dismissal and denied any rift.

"Maybe some people in the West believed that I could be the man of tomorrow with whom NATO could cooperate," he said. "No! NATO is the aggressor. We are victims of this blind revenge against a whole nation."

■ Agreement Close With Russia William Drozdiak of The Washington

Post reported from Berlin: Deputy Secretary of State Strobe Tal-bott said Wednesday that the United States and its allies were close to agreement with Russia on the key issue of an international Kosovo peacekeeping

After meeting in Berlin with Mr. Annan. Mr. Talbott gave an upbeat assessment of his talks this week in Moscow, which he described as "very constructive and solution-oriented."

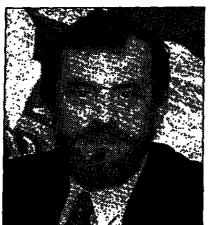
While acknowledging "some very real differences" between Russia and NATO, Mr. Talbott told reporters that 'important areas of commonality' had raised hopes for a peace deal that would paign in return for the withdrawal of said. "Serbian forces from Kosovo and the stages." repatriation of ethnic Albanian

But the biggest obstacle to a ceasefire, he said, remained Belgrade's continuing refusal to accept terms endorsed by the international community. Despite not break ranks with its allies. some hints that Mr. Milosevic may be At NATO's 50th anniversar ready to sue for peace, Mr. Talbott said, We have not heard anything from Belgrade that suggests that Belgrade is yet

prepared to move in that direction." With NATO commanders vowing to increase the ferocity of air strikes as the bombing campaign enters its sixth week. the Russians have emerged as the focal point of Western appeals to exert greater diplomatic pressure on Yugoslavia. The allies insist they will suspend air

strikes only after Mr. Milosevic ceases all military operations, pulls his forces out of Kosovo, consents to an international military presence that would autonomy to the ethnic Albanian ma-

After discussing diplomatic strategy with Mr. Talbott and the chancellor of Germany, Gerhard Schroeder, Mr. Annan flew to Moscow, where he plans to meet with Mr. Chernomyrdin, who was haven't ruled that out.'



Vuk Draskovic, who was dismissed.

named by President Boris Yeltsin as Russia's special envoy on Yugoslavia. Besides Mr. Annan, the foreign ministers of Greece and Canada, as well as the German defense minister, Rudolf Scharping, are visiting Moscow this week to explore the parameters of a peace settlement.

At a Berlin news conference, Mr. Annan displayed a cautious, even skeptical attitude toward prospects of an imminent breakthrough.

"The search for a political solution is bring an end to the allies' bombing cam- a long, complex, drawn-out process," he "We are only at the early

Even though pressure was building on his government to find a peaceful resolution in the wake of more civilian casualties caused by the air strikes, Mr. Schroeder insisted that Germany would At NATO's 50th anniversary summit

meeting in Washington last weekend, the 19 allied leaders promised to accelerate the search for a resolution to the Kosovo crisis along both military and diplomatic tracks.

While vowing to escalate the bomb-ing until Belgrade capitulates, the leaders also pledged full cooperation with Russia in the hope that Moscow's influence could help make Belgrade's leadership change its mind. "We all agree that Russia must be part

of the solution," said the British foreign secretary, Robin Cook. "And we've made it clear we want

protect returning refugees and restores Russia working alongside us in the international peacekeeping force, in the same way they are doing with NATO troops in Bosnia."
Mr. Talbott said while Russia had not

vet declared its willingness to participate in a peacekeeping force, "they certainly

# Emergency crews combing the ruins of civilian buildings in Surdulica that were hit in an allied bombing mistake.

### KOSOVO: Wayward NATO Bomb Kills 20 Civilians in Serbia

Continued from Page 1

The command here did not say which country's forces had carried out the attack. As the bombing continued into its act. As the bollong continued in the 1st of the day Wednesday, General Marani said that NATO planes had bombed anti-aircraft weapons sites, fuel storage areas, and roads and railways throughout Serbia. The allies also tried to keep up pressure on the Serbian police and military forces carrying out attacks against ethnic Albanian civilians and soldiers of the rebel Kosovo Liberation Army inside the province, striking a multiplerocket-launcher system, armored vehicles, storage areas, and a police com-mand post, General Marani said.

On Tuesday, the top allied commander, General Wesley Clark, said at a news briefing here that five weeks of bombing and bad weather had not prevented the Serbian forces from reinforcing and continuing sweeps that have driven hundreds of thousands of ethnic Albanian civilians from their homes.

The command reported Wednesday that, despite the bombing, Serb forces were continuing attacks against the rebels in three general areas around the province, southwest of Podujevo north of the provincial capital of Pristina, east of Globocica near the border with Macedonia, and northeast of the town of Suva Reka, near Prizren in the south.

■ Targets Hit Around Belgrade The NATO admission of a bombing the town.

paign against Yugoslavia, according to wire dispatches.
In Surdulica, there was little left of the

bodies being pulled from the rubble of houses hit by the bomb. Sixteen corpses lay in the morgue, and officials said they expected to find more in the debris.

A huge crater was all that remained of

one house, where residents said 16 people, mainly children and the elderly, had been sheltering in a basement.

The roofs were damaged on surround-

ing buildings, and all their windows had

A group of furious residents chanting "Fascists!" condemned the North Atlantic Treaty Organization for its raid on the town. "One-third of the town was totally destroyed," said the mayor of Surdalica, Miroslav Stojilkovic Reporters were shown two areas

where there was widespread damage. A doctor at the local hospital said 11 people had been injured, two of them Military and industrial facilities in the

little town near the Bulgarian border had already been targeted twice before in NATO's air campaign. Officials said a barracks and an asbestos factory had been hit in those attacks.

Local officials said there was no military target near the suburb that was hit, which lay on a hillside on the outskirts of

mistake came as the alliance blasted targets around Belgrade and pushed will explain this," a man said. "They will just say we missed," another said. "No, they won't even say that," the first

NATO said the attack had destroyed an army training center.

Britain said it regretted civilian casualties but added that it was not possible for NATO to eliminate such risks. Yugo-slavia says about 1,000 civilians, including many children, have been killed since NATO began its air attacks March 24.

The Yugoslav information minister, Milan Komnenic, said the attack on Surdulica was a crime aimed at undermining efforts to bring about a peaceful solution involving the United Nations, something he said NATO opposed. But he said the tragedy in Surdulica would not jeopardize what he said was Belgrade's commitment to a peaceful outcome.

The boom of anti-aircraft fire resounded through Belgrade on Tuesday night and Wednesday as NATO jets targeted southern districts of the capital in what the state-run Tanjug news agency de-scribed as "a massive onslaught."

Air-raid sirens wailed later Wednesday, signaling a possible new round of

Belgrade radio said seven missiles struck a military barracks in the Topcider residential district. Heavy smoke rose from both the Topcider and Kosutnjak suburbs following the explasions at strikes do not force President Slobodan about 1:15 A.M., the Beta press agency Milosevic of Yugoslavia to withdraw reported. (Reuters, AP, AFP) forces from Kosovo. (Reuters, AP)

# U.S. House Votes to Block-**Funding for Ground Troops**

WASHINGTON - The House of Representatives voted Wednesday to block funding for the deployment of U.S. ground troops in the Balkan conflict unless President Bill Clinton first gains the approval of Congress.

Although congressional Republican headers are enthusiastically planning to double Mr. Clinton's request for \$6 billion to finance the war, the House voted, 249 to 180, to bar funding for ground forces unless they are specifically anthorized in advance by Congress.

Democrats suggested a veto was likely if the measure is enacted. The Senate has not voted on the legislation. It previously voted support for air strikes. "Let's not put our young men and women," the House majority leader, Dick Armey, said, "in the position where they are on the ground under fire and the president is consulting with the Congress of the United States, after the fact, of their being in harm's way."
"Congress and the president together

can make a commitment to those troops to define a mission and equip them to complete that mission with the highest possible degree of effectiveness with the lowest conceivable level of personal threat," the Texas Republican said.

In its first full debate since air strikes began against Yugoslavia, the House voted not only to restrict Mr. Clinton's ability to commit ground forces, but also on a grab-bag of related proposals designed to press the president to consult with Congress on the war.

Many of us believe that we should have a congressional vote before send; ing in ground troops," said David Boni or of Michigan, the second-ranking Democrat in the House. "But this amendment ties the hands of our military commanders and could leave the born dering nations, more than a million refugees and thousands of our own sol-

diers dangerously exposed."

Complicating the debate were two prov posals by Tom Campbell, a California Republican, that sought to force Congress. to make a stark choice between formally declaring war against Yugoslavia or, withdrawing U.S. forces from the Bal kans. Both proposals were expected to be rejected, but the full House was require to vote on them under provisions triggered by the 1973 War Powers Act.

Many Republicans have criticized Mr. Clinton's Balkans strategy on the basis that his administration had not planned sufficiently for contingencies in case air strikes do not force President Slobodan



Ganc Broqi, a 20-year-old from Pec. "Oh yes, and blankets. These all can be sold or traded or given away. Some, people stockpile these items, just to have

But the most sought-after thing is finding a way out of the camp, usually available only to those with relatives already in the country.

There are other ways to depart, though they can be costly for people who have fled their homes with few possessions. At least one Macedonian garbage crew charges \$80 for a ride out, one employee

The camp is many things — the smell of rotting orange peel, teenagers trying to play volleyball without a net, gray woolen blankets used to carpet a floor. 200 worn nkets used to carpet a floor, 200 women washing clothes by taking turns among four faucets, a little boy who has stopped eating out of fear. It is also a hothouse of hatred, the seeds

of which have been carried in from Kosovo. Refugees tell their stories to each

other, trading tragedies, cursing Sexbs. Hamit Beqiri, a big, robust father of two, said he was taken captive by Serbian soldiers, and they made him and 30 other men build fortifications against NATO air raids. He escaped by bribing three of the guards with most of his life savings. "Are Serbs good people?" he asked his 5-year-old son, Egzon.

The boy, confused by the leading question, said, "Yes."

"Who stole our money, burned our house and took our car?" the fatherasked impatiently. This time. Egzon was in time. "The filthy Serbs," he said.

"And what should you do if you meet, a Serb like Slobodan Milosevic?" "I will kill him," the boy said.

Camps Are 'Very, Very Tense' x The United Nations refugee agency,

said Wednesday that overcrowding in camps for Kosovar Albanians in Macedonia had become so extreme that refugees were "on the verge of rioting," Renters reported from Geneva. "The people are really living in una

bearable congestion. It's very, very tense, and it has to be defused very, very quickly," a refugee agency spokesman, Kris Janowski, told a news briefing adding that the risk of disease outbreaks was also increasing.

### CAMPS: Overcrowding Tests Resources and Refugees' Patience one of the few telephones. The line went

### Macedonia's Refugees In late March, as many as 45,000 refugees arrived in one day. In early April there were several days when no one came through because the Serbs closed the borders. Now the flow has resumed, adding to the total of more than 160,000 refugees already in Macedonia. 15,000 5,000 10 15 *2*0 Source: United Nations High Commissioner for Refugees

### but a lack of allotted space to put them. phone," she said. There are eight camps at present, and the Macedonian government has approved kilometers (45 miles) west of Skopje, the capital. This new settlement was supposed to be ready by Thursday, but there have been delays in construction. "The Macedonians gave the job to a local contractor," said Ron Redmond, another spokesman for the refugee agency. These guys put in an eight-hour day and then go home."

Places like Stankovic, at the foot of the lush green mountains northwest of Skopje, are overwhelmed. Nearly half of those residing in the camps are here in this one, living an unsightly existence in the incongruity of a beautiful location.

Laundry is strung between virtually all the tents, though it is hard to tell whether the clothes have been hung out for washing or drying. While an April day in these mountains includes searing heat and bracing cold, all temperatures seem to arrive with rain.

Mud is attached to every shoe like plaster. "I would give anything to have a real bath," said Magribe Neziri, a teacher who said she was chased from her village by the Serbs on April 17. "I am grateful for the camps, but I do have

dead just before her turn came. "It The problem is not a shortage of tents should not be so hard to get to a tele-

But these are initations, not perils. Disease is at bay. Medical care is availland for only one more—in Cegrane, 70 able. No one is starving. This is not a camp of putrefying corpses like those sheltering the refugees from Rwanda after mass killings in 1994, or an assemblage of the starving as in Ethiopia 10 years before that.

Camp life is hard but hardly horrific. A society is taking shape here — a demonstration of both human flaws and fortitude. A woman fashioned a broom out of a

leafy branch to sweep the loose dirt off the hard dirt in front of her tent. Children without toys found playful uses for plastic bottles and carved hopscotch squares into the ground. Boys met girls and they made love, paying a fee to an entrepreneur who has turned his tent into a motel. Several refugees who had volunteered

to help the aid agencies have undertaken small businesses with donated goods. "They are hiding the best food, these complained Zemrije Bela, a rascals.

woman from Kacanik waiting in a bread line in the rain. "I have heard that things are being brought into this camp and we said. are not getting them."

Other volunteers described with cha-

grin what went on. "Some of them steal boxes of chocol-

She had spent six hours waiting to use ates, cheese, bananas and juice," said

# 5 Years After Apartheid, a 'Miracle' Travels a Bumpy Road

By Lynne Duke Washington Post Service

JOHANNESBÜRG - Five years ago, South Africa needed a miracle. Centuries of whiteminority domination were about to give way to majority rule in the first democratic election ever held here. But rivers of blood had flowed - and did not seem about to abate.

White extremists had tried to bomb South general once said, they would rule "for a thousand

In the seething townships where the black majority had been confined under apartheid, militants battled one another as well as the police.

Nelson Mandela and other political leaders had crisscrossed the country desperately preaching peace and perseverance amid political violence that took more than 500 lives in the two months before the election and threatened to overshadow what years of struggle had won - the right to vote for national leaders, a right afforded the black

majority for the first time. Somehow, it happened. In April 1994, political violence receded, the historic election passed peacefully and South Africa became another

country, like many others. South Africans this week remembered their bright shining moment, when talk of "miracles" and a "rainbow nation" filled the airwaves and the country shed its status as an international

But those heady days have largely faded. The government has been bogged down by the harsh realities of governing a fractious nation in tran-Reforming a bureaucracy geared toward serving a favored few under apartheid has proved

a steep climb. So has holding together the nation's days of apartheid. disparate peoples, to say nothing of reversing a Africa back to a time when whites believed, as a soaring crime rate and economic decline that have set in over the last five years. So many new elements are at play in the per-

petual debates about South African democracy that "what it's coming out of, and emerging to, gets lost," said Patricia Keefer, director for southern Africa of the Washington-based National Democratic Institute for International Affairs. Of the new dispensation, she said, "I come from a perspective of saying it's a glass, half full.

But it's only half full." Ms. Keefer and other analysts say South Africa's democracy appears solid, based on viable institutions and laws that never existed before. Making democracy materially real in terms of jobs, houses, health care and education, however, remains the grand challenge.

Since 1994, South Africa has adopted a new constitution, guaranteeing human rights and protections unheard-of under apartheid. Hundreds of race-based laws have been

stricken from the books. There is a new Parliament, a newly independent judiciary and numerous new watchdog agencies, not to mention new national symbols such as a flag and a national In an effort to foster national harmony, the

has compiled and written a history of the terrible That effort to heal - and to nurture an embryonic sense of nationhood -- was helped immensely by the fact that the first democratically elected president, Mr. Mandela, now 80, had the moral authority of a man who was a political

nation's Truth and Reconciliation Commission

prisoner for 27 years but emerged with an intact capacity to forgive. South Africa will return to the polls on June 2, in the first national election staged by a democratic

With 80 percent of eligible voters registered and more than 40 political parties competing, the election will be another step in consolidating the fledgling democracy.
"We will be confirming our commitment to

democracy," Mr. Mandela told tens of thousands gilante actions. of well-wishers Tuesday at a Freedom Day rally and military parade in the rural southern town of

Despite Mr. Mandela's message, his speech was interrupted by hecklers, and street violence broke out between supporters of the ruling African National Congress and those of a small opposition party, the United Democratic Movement, that is popular in the Umtata region. Such violence stems from political intolerance, which remains high in South Africa, analysts say,

supported by poll results. Democracy's penetration to the grass roots has been problematic. Many people, especially the rural, the very poor and the illiterate — all of whom account for large portions of the population - have little concept of what their local government is doing and their ability to have an impact on it, according to surveys conducted by the Washington-based Joint

Center for Political and Economic Studies. Voting has been ingrained because of the intense voter education campaigns, but beyond marking a ballot, "participation almost becomes a luxury," said Eve Thompson, the center's director of Africa programs.

Other brakes on political participation include disaffection over crime, which has sparked vi-Joblessness verges on 40 percent, with young

blacks hit the hardest. Umtata. "We will emerge stronger and more united. Despite our political differences, we are one people with one destiny, ready to speed up the changes we started in 1994."

South Africa's economy technically fell into recession at the end of last year, with two quarters of declining output. The 1999 forecast is for less than 1 percent growth.

Bermuda, In

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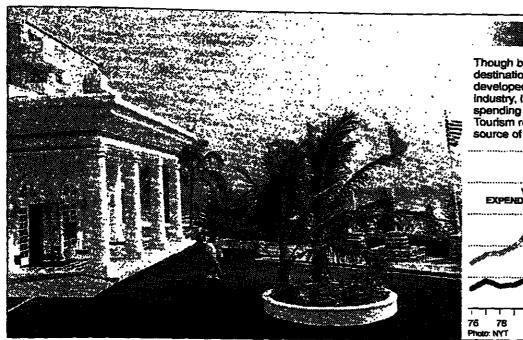
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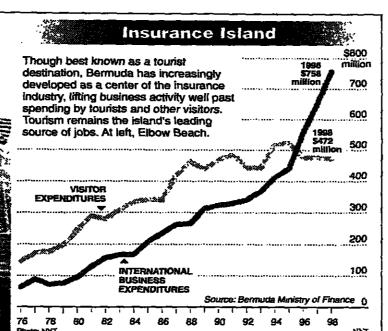
Herald Eribune

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# In Bermuda, Insurance Picks Up Tourism's Slack

By Joseph B. Treaster New York Times Service

HAMILTON, Bermuda - The construction project in the middle of town tells the tale: The grand old Bermudiana Hotel and its luxuriant gardens have been leveled; in their place are rising two big insurance buildings.

With releatless competition and changing tastes. Bermuda's tourist business has been fading. But with no corporate taxes and light regulation, the island of pastel bungalows and perpetual spring has quietly developed a booming insurance business, making Bermuda the third leg --- with New York and London --- in the world's central insurance triangle.

In the low-rising, vaguely dated village of Hamilton, underwriters, actuaries and brokers are the new princes. The resident lawyers and accountants depend heavily on insurance business, and the construction trades have seldom been busier. Not far from the Bermudiana site, an even bigger block of insurance offices is being completed. At night, tables at Little Venice and the tween the insurers and their customers. more expensive Cafe Lido are filled with

people," said Tullio Lombardi, an asistant manager at Cafe Lido.

And a lot of insurance people would be lost without Bermuda. Much as Liberia and Panama have provided flags of convenience for the world's maritime fleets, Bermuda has blossomed as a convenient extension of the U.S. insurance industry.

A self-governing British colony, it has generally managed to steer clear of money laundering, drug smuggling and most of the fly-by-night financial scams that have tarnished other so-called tax havens. And it has attracted a cadre of insurance technicians from the United States and Europe that, as government business recruiters like to point out, adds to the ease of setting up shop here.

Bermuda is the land of megadeals, where corporate policies are written that often kick in only after losses hit more than \$100 million. For the buyers and sellers in this high-flying world, Bermuda's oversight is a model of restraint. Here, the issue is financial strength. The details of day-to-day business are be-

become a place where new twists in national businesses pumped \$757.6 mil-

days, or at worst a few weeks, rather than the months if not years needed in the United States. Bermuda's laissez-faire supervision stands in sharp contrast to out the United Bermuda Party, which the thickets of regulation that have grown up in all 50 states with the goal, rarely fully realized, of protecting the smallest policyholder rather than oiling the wheels of commerce.

The change is striking. For decades, Bermuda has been like a big country club for the East Coast golf and tennis set. It also has been a favorite of honeymooners, with its pink-sand beaches and old-world atmosphere.

But Bermuda's popularity is waning. Visitors in recent years have complained that the island is horribly expensive - a couple of sandwiches and drinks can easily run \$40. While peace and quiet were once big selling points for Bermuda, visitors today often complain that there is not much to do.

The economic balance tipped in favor of insurance and other international business three years ago, and since then the gap has been widening. In the last With that philosophy, Bermuda has fiscal year, insurance and other inter-

"We'd be lost without the insurance coverage can be worked out in a few lion into Bermuda, compared with \$472.3 million from tourism.

Partly because of the stagnation of tourism, Bermudians last autumn voted governed for 35 years. The new prime minister, Jennifer Smith of the Progressive Labor Party, is in a delicate political position. She must encourage the growth of insurance, but she must not be seen to be favoring it over tourism because even now tourism provides more jobs. By her count 2,400 people work in insurance and nearly 6,000 have jobs in hotels. restaurants and other tourist businesses.

Nevertheless, Bermuda's overall success as an insurance center has recently inspired regulators in the United States to begin easing up. Half a dozen states have agreed to let corporate buyers and sellers negotiate the terms and prices of high-level coverage just as all coverage is handled here. Similar legislation is being considered in New York and a

dozen other states. The regulatory and tax advantages of Bermuda -- and the mere hour-and-ahalf flying time from New York - made

See BERMUDA, Page 12

# EU to Ban U.S. Beef That Has Growth Hormones

tained no artificial growth hormones. The EU's executive commission de-

cided to press ahead with the han after a majority of veterinary officials from EU member states backed the proposal at a meeting in Brussels.

The dispute threatens to further inflame trans-Atlantic trade relations, already tense because of a dispute over banana trade.

The European Commission said in a statement it had decided to suspend imports of beef and bovine liver from the United States "to protect consumer health in the EU following the discovery of residues of certain synthetic growthpromoting hormones in beef and bovine livers imported from the U.S."

The EU farm commissioner, Franz

ordered EU member states to check all U.S. beef and bovine liver imports. A commission official said the 20member EU executive supported the proposed ban at its meeting Wednesday, although the decision would not be

formalized until later Wednesday or on Thursday. The official was optimistic that the

problem over hormones could be resolved, avoiding the need for the ban. The EU already bans hormone-treated beef imports on health grounds, providing a long-running dispute in the World Trade Organization with the group opened its market to it. United States and Canada

The United States has threatened to impose punitive duties on hundreds of millions of dollars of EU exports unless consider compensation for trade lost due Fischler, said in the statement that the the EU lifts its ban on hormone-treated to the EU ban. commission was ready to work closely beef by May 13, as Washington says it

Remers

With U.S. authorities to resolve the problem use do to comply with a WTO ruling acceptable only "as a temporary measaid Wednesday that it would ben imports the ban only if it was satisfied that imports of U.S. beef were hormone-free.

With U.S. authorities to resolve the problem used to comply with a WTO ruling acceptable only "as a temporary measaid Wednesday that it would ben imports the ban only if it was satisfied that imports of U.S. beef were hormone-free.

With U.S. authorities to resolve the problem used to comply with a WTO ruling acceptable only "as a temporary measaid Wednesday that it would be nimports to be a superior of U.S. beef were hormone-free.

But the commission recently said that scientific tests showed that 12 percent of supposedly hormone-free U.S. beef contained residues of hormones.

U.S. cattle producers dismissed the commission's decision to ban the few remaining imports of U.S. beef as a side

issue in a larger trade dispute.
"It's a red herring," said Chandler
Keys, vice president of the National Cattiemen's Beef Association. In Geneva, the United States said its row with the EU over hormone-treated beef could

The U.S. envoy, Rita Hayes, told the WTO's Dispute Settlement Body that the United States would be willing to

But, she added that compensation was

from cattle treated with growth hormones. They have ordered scientific assessments of the possible risks.

■ Loans to Russia for U.S. Beef

The U.S. Agriculture Department needs to craft another amendment to its pact to provide low-interest, long-term loans to Russia to buy U.S. beef. Reuters reported from Washington, quoting an Agriculture Department official.

The department's general sales man-tential. ager, Chris Goldthwait, said the departprovide loans for Russia to buy 120,000 tons of frozen beef and beef offal.

# Sony Profit Tumbles In a Weak Economy

Annual Results Slip 20% as Quarter Has Loss

By Sheryl WuDunn

TOKYO - In a sign of how Japan's faltering economy is hitting even its best corporations, Sony Corp. on Wednesday announced a drop in annual earnings of nearly 20 percent, as well as a loss in the final quarter, which ended March 31.

The disappointing results, including the first quarterly net loss in four years, came nearly two months after Sony dazzled investors with a flashy restruc-turing plan that will try to build a busi-ness of "networking" and to navigate the company into uncharted waters — a global nexus of media, technology and

Sony, the famed inventor of the tiny transistor radio, the Walkman and the Trinitron television, said that consolidated net profit for the year was \$1.49 billion, down 19.4 percent from the pre-

vious year. The earnings, on slightly higher sales, beat the company's conservative fore-casts, released in January.

Operating income for the Sony group fell 34.9 percent from a year ago to \$2.8 billion, but the figure, while dismal, was close to what analysts had expected. Earnings per share were \$3.26, down 19.1 percent from the previous year.

Higher costs and weaker sales in its electronics business took the biggest bite out of operating profit, while Sony's game business, including its PlayStation accounted for 40 percent of operating income and significantly improved prof-

Sony's music business faltered, but its motion picture business improved slightly over the prior year.

Sony has hinted that business in the current quarter will also suffer and that the poor performance will probably extend through the summer. By then, analysts say, earnings will start kicking in from new products, such as its Vaio laptop computer and digital camcorders that use a new kind of silicon chip.

Analysis say the worst has probably passed, and investors seem already to be forgiving Sony, the darling of high technology in Japan, for its weak results. Instead, they are betting on its future. 'Sony is trying to be a '.com' com-

pany, supplying networking, hardware and content, 'said Hitoshi Kuriyama, a consumer technology analyst at Merrill Lynch Japan. "People are buying Sony because of its future dreams. Nobuyuki Idei, Sony's president, said

which is 44 percent lower than last year's performance.

Analysts say that because of the rough completed by the end of March 2000. road yet ahead this year and because of the challenge of transforming the comway to increase share prices will be not so much by increasing profits as increasing perceptions of its long-term po-

So some suggest that Mr. Idei is trying ment needed to amend the agreement to to position Sony as a media technology specify that the beef can travel in concept stock valued for its growth potainers rathar than bulk grade. Under the tential. Sony's share price has climbed agreement, the United States will about 35 percent since March 1 on in-

See SONY, Page 12

Crash Bandicoot Warped," game for Sony's PlayStation. Sony said Wednesday it shipped 21.6 million of the consoles in 1998-99.

### Sega to Cut **Work Force And Post Loss**

Fingulatin Our Staff From Disputcher TOKYO - Sega Enterprises Ltd., the home video game maker, said Wednesday it would eliminate a quarter of its 4,000-member work force, reduce executives' pay and close 100 arcades, after estimating that it had failed to make

a profit for a second straight year. Sega said it would post a group net loss of 45 billion yen (\$376.73 million) for the financial year ended March 31. In November, the company forecast a profit for the year of 1.6 billion yen. Segaalso said Wednesday that it expected to report sales of 266,4 billion yen, 14 percent below its November forecast.

Slumping sales of video games and the cost of disposing of inventory produced the second loss for Sega since it went public a decade ago. Analysts said its new. 128-bit, Internet-capable Dreamcast console had failed to become a hit and its arcade business was struggling amid the recession in Japan.

We are all aware that it will take a last month that the company hoped to see serious change of behavior to strengthen its market capitalization double in three this company and break from the past," justified on health grounds because of Sony is forecasting sales of 6.5 trillion Irimajiri, "and I am optimistic about this the possible dangers from eating beef yen (\$54.2 billion) for the current financial year, which ends on March 31, tant third to Sony Corp. and Nintendo 2000, and net profit of 110 billion yen. Co. in global sales of home video games. said the job cuts at the parent company and the closings of the arcades would be

Like its rivals. Sega has suffered the dual woes of slow domestic sales and a pany over the next few years, the best strengthening yen, which eroded the value of repatriated profit.

Also, said Hirotoshi Murakami, an analyst at Kokusai Securities Co.. "the Dreamcast is looking more and more like it's lost the home video game

Sega said it had shipped 1 million. Dreamcast machines domestically through the end of March, and said 900,000 had been sold by retailers. (Bloomherg, Reuters)

# Strong U.S. Sales Bolster DaimlerChrysler

By Michelle Krebs New York Times Service

DETROIT - Fueled by strong vehicle sales in the United States and healthy heavy-truck sales. Daimler-Chrysler AG on Wednesday said that first-quarter profits increased 23 percent, exceeding some analysts' forecasts.

Net profit was 1.6 billion euros (\$1.7) billion). Revenue rose 10 percent, to 35

billion euros. Profit and revenue was up in every category in which Daimler-pay a premium for, "said James Collins. Chrysler competes.

The company is riding the wave of strong U.S. vehicle sales, which ran 10 percent above the first quarter of 1998,

at a seasonally adjusted annual rate of nearly 17 million vehicles. Chrysler products, such as the new

Jeep Grand Cherokee and the Dodge down by slow sales of the Smart car, a problems in Asia and Latin America.

increased its share of the car and truck market. Profits from the sale of Chrysler vehicles rose 12 percent, to 1.5 billion euros in the quarter.

More than half of Daimler-Chrysler's 2.8 billion euros in operating profits came from Chrysler, the company said. 'Chrysler is selling what people want

anto analyst, with the London office of Donaldson, Lufkin & Jenrette. Income from the sale of Mercedes-Benz and Smart vehicles, the secondlargest contributor to Daimler-Chrysler's operating profits, rose 4

Durango sport utility vehicle, have new mini-car sold in Europe. Sluggish been well received as Chrysler has sales have led the automaker to cut production by a third.

Strong sales of Freightliner heavy trucks helped profits in the commercial-truck segment increase by 12 per-cent, to 1.63 billion euros. Profits from the company's

aerospace unit more than doubled, and income from financial services oper-DaimlerChrysler's strong first

quarter suggests the company is on track to surpass its initial full-year revenue target of 137 billion euros, Jurgen Schrempp, the co-chairman of Daimler Chrysler. The automaker expects U.S. vehicles sales to remain strong, which should offset a possible slowdown in sales in Europe and continued economic

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20.9017 61.2740 9.0313 996 297 1.1963/2.941,10 12.474 204.52 292.73
9.30 3.1738 21.53 19.52 65.45 162.55 4.61 58.09 0.64 0.7694

# China Toughens Its Stance on WTO

By Seth Faison New York Times Service

SHANGHAI — Chinese negotiators appear to have toughened their stance in negotiations over the country's entry to the World Trade Organization, making U.S. negotiators pay for President Bill Clinton's decision earlier this month to delay a final deal.

In the latest turn in China's excruciatingly long and complex path toward WTO membership, Chinese negotiators are taking the offensive and accusing American officials of asking for too much.

"Some negotiators are trade official, said in Beijing on Wednesday. "They are demanding too high conditions that are impractical and unacceptable for China."

China also seems to be trying to use international leverficials to put pressure on the United States.

On Wednesday, Chinese negotiators met for a third consecutive day in Beijing with negotiators from the European Union, in preparation for a visit to China by Sir Leon Brittan, the European Union trade commissioner, who is scheduled to arrive in ment that China should finally be allowed into the world trade body.

Two separate groups of negotiators met about tariffs and on trading services, the New China News Agency report-ed. Long Yongtu, China's chief negotiator, was quoted by the news agency as saying that China was prepared to make extensive efforts to push forward the negotiations, apparently appealing for international support to counter American demands in

Just before Prime Minister Zhu Rongji's trip to the United States this month, China made reaching out for a yard after an array of concessions aimed taking in an inch," Wu Yi, a state councilor and senior of U.S. opposition for entry to the trade body, which China has aggressively sought for 13

China agreed to import more American beef, citrus products and wheat, and to allow more openness in the age with European trade of- telecommunications, financial services and entertain-ment fields. However, President Clinton rejected a proposed agreement, apparently judging the anti-China mood in Washington to be too strong to accept a trade accord.

After strong protests from U.S. business leaders that a good deal had been within reach, the Clinton adminis-Beijing on May 5 and is ex- tration authorized a fresh pected to announce an agree- round of negotiations.



### **CURRENCY RATES**

percent. Mercedes is being dragged

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1.0666 0.6583 1.6088 127.05 1.5725 7.4336 326.65 8.913 Source: Associated Press. 1.3632 0.8392 2.0419 161.67 2.0009 9.4606 414.21 11.3265 European Cross Rates

Euro Values









### THE AMERICAS

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### Very briefly:

• Orders to U.S. factories for big-ticket durable goods rose 2 percent to a seasonally adjusted \$197.7 billion in March. recovering from an end-of-winter slump.

Aetna Inc.'s first-quarter net income, including capital gains, rose 7 percent, to \$179.4 million, as the U.S. health nsurer raised premiums on employer health plans. Park Place Entertainment Corp.'s first-quarter profit rose

4.6 percent, to \$45 million, as the U.S. casino company won more from gamblers in Las Vegas and Mississippi. Alliance Capital Management LP's first-quarter earnings

rose 42 percent, to \$98.1 million, as the U.S. money manager revenue increased and assets under management grew. • America Online Inc.'s profit for the first quarter, excluding special items, was lifted by vigorous growth to \$117 million. up 200 percent from a year earlier.

### **Druggist Cuts Earnings** On Faulty Sales Report

SAN FRANCISCO McKesson HBOC Inc., the on Wednesday reduced previously reported annual earnings per share by 4.4 percent, saying it improperly recorded sales from the software business it acquired in January. McKesson shares plunged \$31 to close at \$34.75, cutting

company, created by McK-esson Corp.'s \$13.9 billion acquisition of software maker largest U.S. drug wholesaler, HBO & Co., said it may make further revisions as it continves an audit

McKesson, which also cut its current-year earnings estimates, said software sales of \$26.2 million in its fourth quarter, which ended March 31, and \$16 million in the prior three quarters had not been properly recorded.

# Investors Shun Technology in Favor of Old-Line Industries

NEW YORK - U.S. stocks finished mixed Wednesday, with blue-chips pushing

to a record high as investors kept on buying big industrial stocks, but technology shares sliding on profit-taking. a record 10,845.45, up 13.74 points, but the Nasdaq composite index, which is heavily

weighted in technology stocks, ended 52.15 points lower at 2.550. 26. The broader Standard & Poor's 500 Index ended 11.89 points The companies contributing most to the

### U.S. STOCKS

The Dow Jones industrial average closed at Dow's advance were so-called cyclical stocks that depend most on economic growth for profits. Alcoa, the world's biggest aluminum producer, rose 7 to 623/s and was the Dow's biggest advancer. The other leaders were Chevron, DuPont, Minnesota Mining & Manufacturing, Exxon, Union Carbide, Allied-

Companies whose shares roared ahead in Business Machines, fell back as investors has soared 72 percent this year.

has soared 72 percent this year.

has soared 72 percent this year.

Amazon.com dropped 13 to 192%. The onAmazon.com dropped 13 to 192% are line retailer is expected to report a first-quarter

On the Nasdaq, Microsoft lost 11/8 to 821/4 and Cisco Systems slid 3 1/16 to 112

Advancers outnumbered decliners by a 17to-11 ratio on the New York Stock Exchange.

The companies contributing most to the dumped the shares to take profits after the Internet service provider reported stronger profit than analysts had expected. Mindspring

loss of 29 cents a share, according to many analysts. Amazon.com posted a loss a year

The benchmark 30-year Treasury bond fell reporting profit that marched analysts' upofficial forecasts. MindSpring Enterprises lost
percent from 5.54 percent. (Bloomberg, AP).

# Icahn Won't Fight Tobacco Spin-Off by RJR

In the slimmed-down, customized where else in the world.

customers. For example, most Ber- insurance companies were created.

to contribute to a so-called guarantee erage, Robert Clements, an executive

fund in each state that provides at Marsh & McLennan Cos., the money to pay claims if an insurance world's largest insurance broker, percompany collapses. In Bermuda, suaded IBM, Ford Motor Co., Royal

surance problem and to take on highest-paying jobs go to fairly enormous risk outweighs concern young expatriates, attracted by about a forum for resolving disputes money, a balmy climate and the op-

The foundations for Bermuda's transactions, After work on Fridays, insurance industry were laid shortly underwriters, actuaries and brokers after World War II. That was when crowd into the Robin Hood, a pub on

from its taxable income. And for tax said Bill McGannon, who for years

and regulatory reasons as well as was in charge of the insurance Bermuda's reputation for probity, budget of the Nova Chemical Corp.

many U.S. corporations began re- in western Canada. "They don't

gistering their captives in Bermuda. come up with a lot of reasons they Today, there are roughly 1,400 cap-tives in Bermuda, more than any-want to do a deal."

Carl Icahn will not pursue a proxy fight over RIR Nabisco Holdings Corp.'s decision to spin off its U.S. tobacco operations as a separate company owned by RJR shareholders. Mr. Icahn said in a statement late

cision to withdraw his slate of board nominees after discussions with several other large shareholders, get of one of the biggest and most

Continued from Page 11

it a natural for solving the industry's problems. When heavy losses

caused even Lloyd's of London to

back away from offering high-ticket,

high-risk coverage against product

liability lawsuits and the ravages of

hurricanes and earthquakes, Amer-

icans with deep pockets and a sense

of opportunity turned to Bermuda to

set up companies that would con-

Bermuda's main customers are

America's corporate giants, whose

transactions here mean less money

for insurers in the United States. Yet

the big U,S. insurers are not com-

plaining. They helped create Ber-

have profited by setting up their own

subsidiaries here; many others have

become buyers of catastrophe re-

insurance, which at first was avail-

able almost nowhere else and now

helps them diversify.
Still others have been delighted to

have Bermuda sharing the market for stratospheric coverages so they are not faced with either taking on more risk than they can comfortably handle

or disappointing corporate clients.
"The other insurers need Ber-

muda as much as Bermuda needs

them." said Sharda Cherwoo, an in-

surance specialist at Ernst & Young,

the international accounting firm.

sider almost any proposition.

Supreme Court decision to hear arguments on whether the federal company, maker of the Winston, Food and Drug Administration Salem and Camel cigarette brands.

It also owns an 80.6 percent stake

RJR shareholders are scheduled Tuesday that he had made his de- to vote on the spin-off at the company's annual meeting May 12. RIR Nabisco, which was the tar-

BERMUDA: Insurance Takes Up Where Tourism Left Off

world of Bermudian insurance, there

are fewer protections for corporate

mudian policies require that disputes

be worked out in binding arbitration,

rather than in the courts. Also, in the

United States insurers are required

But Bermuda has no shortage of

customers. For many of its clients,

the ability to work out new coverage

quickly to solve an immediate in-

U.S. corporations realized they

could save money with a paper

device known as a captive insurance

company, which enables a corpo-ration to effectively sell itself in-

surance and deduct the premiums

there is no guarantee fund.

that may never materialize.

muda's insurance business. Some about a forum for resolving disputes

Co., the second-biggest U.S. tobacco in Nabisco Holdings Corp., which is traded separately and is the biggest

U.S. cookie and cracker maker, with brands such as Oreos, Chips Ahoy,

Snackwells and Ritz. Both Mr. Icahn and RJR man-

But it took a few decades before

the first big mainstream Bermudian

They began in the mid-1980s with New York money, knowledge and technical skill. When traditional in-

surers cut back on high-end cov-

Dutch/Shell Group and 31 other cor-

porations to go to Bermuda and start

do more local hiring, most of their

portunity to work on big, important

crowd into the Robin Hood, a pub on

"They've got a certain amount of sassiness and arrogance coupled

with real entrepreneurial spirit."

They bring their energy to what

Richmond Road, to let off steam.

was once a pretty sleepy place.

While the insurers would like to

their own insurance companies.

The Associated Press

They said they did not want to delay dramatic takeover battles of the agement have said they felt the food NEW YORK — The financier the decision in light of a recent U.S. 1980s, owns R.J. Reynolds Tobacco company would fare better in the stock market if it severed its ties with the tobacco business, which faces hundreds of lawsuits. But they had disagreed over how to make the split, leading to a competing slate.
On the New York Stock Ex-

change on Wednesday, RJR Nabisco Holdings shares closed un-changed at \$25.50. RJR holds 80.6 percent of Nabisco.

Talks With Brazil Compiled by Our Staff From Disposche.

Mexico Resumes

BRASILIA - In the first major agreement reached dur-ing a two-day visit to Brazil by President Emesto Zedillo of Mexico, the two countries decided to resume bilateral trade

În a joint communiqué issued after a meeting Tuesday, President Zedillo and President Fernando Henrique Cardoso of Brazil said they were "pleased by the excellent level of their bilateral relations, and agreed to continue to support the mechanisms needed to strengthen cooperation between Mexico and Brazil."

Last year, trade between the two countries totaled \$1.97 bil-

Mr. Zedillo and Mr. Cardoso also signed three mutual cooperation treaties on technology, diplomacy and statistical analyses. Mr. Zelillo left later for home.

In the statement, the presidents underscored the importance of "creating mechanisms to anticipate economic crises and deal with them quickly and decisively." (AFP, AP) decisively."

# **Dollar Falls** On Outlook For Japan

NEW YORK - The dollar fell against the yen Wednesday after a trio of Japanese economic reports suggested the world's secondlargest economy may be emerging

from a year-long recession.

The figures added to "speculation that Japan is close to turning its economy around" and should keep the dollar trading between 122 yen MARIE STATE

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### FOREIGN EXCHANGE

and 117 yen in coming days, said Grant Wilson, a yen trader at Mellon Bank in Pittsburgh. In 4 P.M. trading, the dollar was-at 119.175 yen, down from 120.335

on Tuesday. Much of the dollar. selling was carried out by Japanese exporters and institutional investors, traders said. Many exporters want to sell dollars before; Golden Week, a string of holidays in Japan that runs Thursday through May 5, to take advantage of the U.S. currency's rise Tuesday and bring

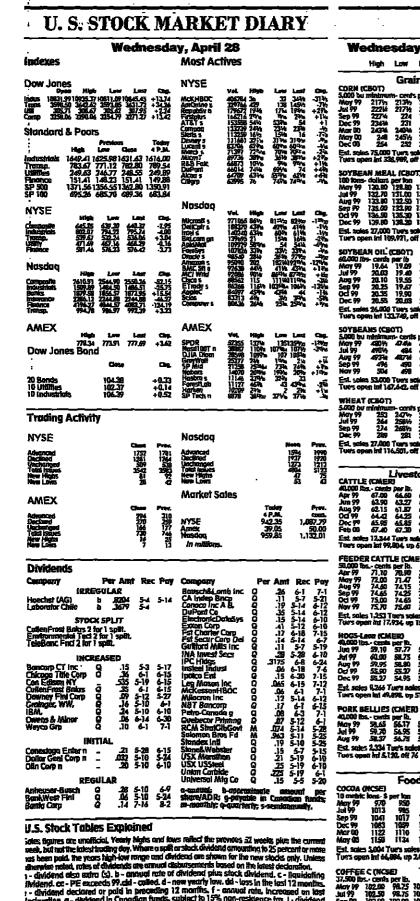
home overseas profits, they said.

Japanese industrial production rose 2.2 percent in March from February, while housing starts rose 8.1 percent in March from the previous month, the fourth consecutive rise. The euro fell to \$1.0638 from

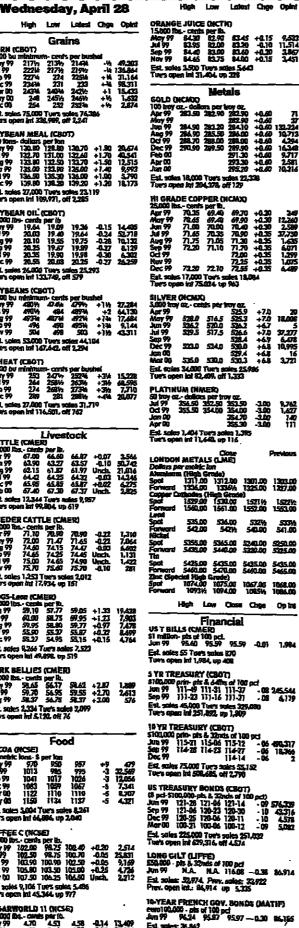
\$1.0665 after President Slobodan Milosevic of Yugoslavia fired his deputy prime minister, deepening investor concern that the war there would drag on. Traders also sold the single currency to lock in small gains:
made Tuesday, said Wayne Recknow, a trader at World Bank of

The dollar rose to 1.5110 Swiss francs from 1.5077 francs, while the pound slipped to \$1.6145 from \$1.6183. (Bloomberg, AP)

### the company's market value by more than \$8 billion. The

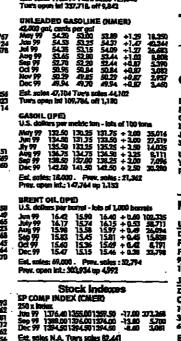


### INTERNATIONAL FUTURES





# Est. soles: 21,478. Prev. soles: 24,327 Prev. open (nl.: 227,519 off 2,968



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# **SONY:** Earnings Tumble 20%

Continued from Page 11

'Sony has at least shown itself willing to take radical action to position itself for the future," said Alan Bell, an

because of weaker economies in Asia and other emerging markets. Another crucial factor was the rapid apprethe Sony dream, for a great

The sudden appreciation of nicate with one another. the yen in early October anese exporters off guard so impact of the currency

however, the yen was slightly overall performance.

Sony announced its results electronics analyst in London? after the stock market for Schroders Securities Ltd. The company said that its are depressed earnings and performance for the year was that too much concentration shaken mainly in the last half on short-term earnings is to

ciation of the yen, which hit deal still needs to happen be-last autumn, when sales are fore computers, televisions, usually strongest for the cellular phones, video games

with the ingredients to dothat, but implementation is that they could not adjust the next stage," said Koichiro quickly enough to offset the Chiwata, a consumer electronics analyst at Nikko Salomon Smith Barney in Tokyo. "It remains to be seen how they can integrate the weaker than the previous businesses of electronics, year, and this belped Sony's game and networks to create

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### INTEREST RATES

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Read THE MONEY REPORT

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o-gelamble."

### EUROPE

# Said to Cool A Takeover

formal rejection of a \$65 billion hostile bid from Olivetti SpA was based on what was considered too much debt in Olivetti's plan, sources close

to the deal said Wednesday.

At a three-hour board meeting on Tuesday to hammer out a response, Telecom Italia executives said the bid was inadequate and handed its formal rejection, detailed in almost 50 pages, to the stock market regulator, Consob.

The regulator has 48 hours to study the document before making it public before Friday, the formal start of Olivetti's \$65 billion bid.

At the Rome meeting, Telecom's board - which had already rejected the bid in February — reiterated that Olivetti's takeover would cripple Telecom with debt.

Olivetti, whose 11.5 euro (\$12.28) per share offer is part cash and part bonds and shares, plans to fund part of the bid for its fivetimes-larger rival with a record 22.5 billion (\$23.9 billion) euro loan,

against Olivetti's bid but that it was prepared to enforce a statute on voting rights if Olivetti failed to secure over 51 percent of Telecom's stock. Under Telecom's statutes, no Frankfurt. single shareholder can hold voting rights of more than 3 percent — a rule that could be abolished if Oliv-

etti secured a controlling stake. Telecom Italia is seeking to merge with Deutsche Telekom AG In February, VW had warned that in an effort to fight off Olivetti's the earnings outlook looked gloomy

Wednesday, April 28
Prices in local currences:

Amsterdam

**WORLD STOCK MARKETS** 

# Olivetti Debt Europe Seeks Missile Giant to Match Raytheon

By Alan Cowell New York Times Service

LONDON - British Aerospace PLC, the British defense giant, acknowledged Wednesday that it was exploring a deal with French and MILAN — Telecom Italia SpA's Italian companies to create a European missile industry to challenge Raytheon Co. of the United States, the global leader in missile manufacturing.

The news emerged one day after British Aerospace signed a formal agreement Tuesday to acquire the British General Electric Co.'s Mar-

coni Electronics defense and missile business. The \$12.7 billion takeover was first announced last January and will now be examined by regulators. It brings together British Aerospace's military hardware, such as the Tornado warplanes in action over Kosovo, with Marconi's military and civilian electronics and missile guidance systems. Britain's General Electric is not linked to the

U.S. company of the same name. The January deal catapulted British Aerospace into the world's No. 3 slot in the defense industry after the U.S. leaders, Boeing Co. and Lock- European defense industry.

heed Martin Corp. Less headlined at the time, the deal also gave British Aerospace access to Marconi's 50 percent stake in a missile project with Alenia SpA, owned by Italy's

Finneccanica SpA.

British Aerospace already had a joint venture with the Lagardere SA's Matra subsidiary in France. Mike Peters, a spokesman for British Aerospace, said the three-cornered talks on a joint missile venture were "not surprising" in the light of British Aerospace's long-term design to create a pan-

He declined to say, however, when the discussions might bear fruit and said their outcome depended in part on British and European regulators' approval of the British Aerospace-Marconi deal.

"What we are looking for is a restructuring to make Europe into a major player," Mr. Peters said. "We wish to grow the industry in Europe so that it can match the U.S. giants and so that, in future projects, Europe is treated as an equal partner."

# Investor's Europe London Franklint 6000 -5750 -4500 N D J F M A 5500 N D J F M A 3500 London FTSE 160 9,558,80 9,580,60 A408 Minister Stock Exchange 698,95 889,65 816 Mine MESTE 24900 86024 9,48 Paris CACAO 4,344,78 8,861,88 9,58 Stockholm SX 16 4,872,67 4,320,86 1,56 Venus ATX 1,262,98 1,272,83 8,58 Zorich SP1 4715.00 472130 3

# VW Stock Slides as Profit Report Disappoints

WOLFSBURG, Germany — The share price of Volkswagen AG plummeted Wednesday after the carmaker said that its profit in the first quarter rose 2.9 percent, far below analysts' expectations and

Skoda and VW brands said late Tuesday that not income in the first three Italian papers said Telecom Italia months rose to 355 million Deutsche would not for now take legal action marks (\$193.3 million) from 345 million DM a year earlier. Analysts had expected a 42 percent increase.

The shares closed at 67.50 euros (\$71.99), down 4.10 euros, in

"Whether the full-year 1999 earnings can improve upon the previous year will depend decisively on demand developments in the second half of the year," Volkswagen said.

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lysts and investors by surprise. The earnings "are below what everyone expected," said Keith Hayes, an analyst with Goldman Sachs & Co.

Sachs & Co.

"People have convinced themselves that the profit warning was
not an indication of underlying conditions, but perhaps it is.'

The first-quarter results, dragged down by a 20 percent sales decline

the company.

Pretax profit rose 15.2 percent, to 1.045 billion DM, mostly because of the strength of its Volkswagen and Audi car brands and its Financial Services Division, the carmaker said. Sales rose to 35.76 billion DM from 33.03 billion DM.

Exports were the main impetus ably lead to short-term losses there. behind sales gains, Volkswagen said,

in Brazil, were the second consec-utive quarterly disappointment for overall sales situation," especially in Europe and North America.

Volkswagen had reported earlier that unit sales in the first quarter rose 9.7 percent, to 1,178,456 vehicles. In a March report, Mr. Hayes said that 1999 would be a challenging year for VW because difficulties in the Brazilian economy would prob-

(Bloomberg, AP)

### Very briefly:

• National Power PLC's chief executive, Keith Henry, has resigned with immediate effect, triggering speculation of a bid or breakup of the British power company.

• Gas Natural SDG SA of Spain plans to invest 660 billion pesetas (\$4.2 billion) through 2003 on extending its natural gas pipelines and signing up more customers abroad.

 Credit Agricole SA, Paribas SA and AXA SA of France Banca Intesa SpA of Italy, and Commerzbank AG and Allianz AG of Germany have submitted bids for stakes in the French bank Credit Lyonnais SA.

•Fibernet Group PLC's loss for the six months to Feb. 28 widened to £2.64 million (\$4.27 million) from £1.98 million a year ago, hurt by higher interest charges on leased phone lines. Baan NV, a Dutch business software maker, posted a firstquarter net loss of \$19 million as income was hurt by higher costs and weaker profit margins. AFP, AP, Reuters, Bloomberg

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# Laura Ashley to Sell U.S. Business for \$1

clothing and home furnishings, said after designs fell out of favor.

banks told it to sell or close its North

It is selling the North Ame

The retailer, known for its floral of the decade after its once sought-

Bloomberg News

LONDON — Laura Ashley
Holdings PLC said Wednesday it
would sell its North American division for a symbolic \$1 and issue
new shares to appease banks.

When they agreed to extend its credit facility to April 30, 2000. Without that agreement, Laura Ashley probable when they agreed to extend its credit shareholders include Regent Carthat agreement, Laura Ashley probable when they agreed to extend its credit shareholders include Regent Carthat agreement, Laura Ashley probable when they agreed to extend its credit shareholders include Regent Carthat agreement, Laura Ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley would have become insolvent.

Laura Ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley would have become insolvent.

Laura Ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat agreement ashley (North America) Inc. The shareholders include Regent Carthat ashley (North America) Inc. The shareholders include Regent Carthat ashley (North America) Inc. The shareholders include Regent Carthat ashley (North America) Inc. The shareholders include Regent Carthat ashley (North America) Inc. The shareholders include Regent Carthat ashley (North America) will be \$34.4 million. Laura Ashley also plans to raise about £24.6 mil-It is selling the North American lion (\$39.8 million) in a one-for-two

hostile bid. Olivetti's official bid for the year largely because of slugperiod is set to run until May 21. gishness in Asia and Latin America. American business and issue stock division to a new company, Laura rights offer at a price of 13 pence. CAC-40: 4374270 Mexico 37.55 34.40 37.20 34.25 24.60 32.70 22.40 34.20 Chy Devits
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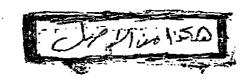
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### Yery briefly:

NTT Mobile Communications Network Inc. Japan's largest cellular phone operator, has declared a five-for-one stock split as a way to make the company's shares more attractive to individual investors. Shares in the company, known as NTT DoCoMo, surged as much as 10 percent to a record before the news, closing at 6.81 million yen (\$57,190). up 350,000 year or 5.42 percent.

Class Editori SpA, publisher of Italian financial daily Milano Finanza and operator of Tenfore financial data, and Banca Popolare di Verona pian to jointly offer on-line financial data and stock trading. Investors will have access to live data and research on stocks, while Banca Popolare di Verona will give clients access to account information stored on their computers. The two companies will offer Internet stock trading within two months. Class Editori's signed a similar agreement in January with Banca Popolare di Brescia.

GE Capital Corp., a U.S. financial giant, has announced in Singapore that it is expanding a three-year bond issue to 400 million Singapore dollars (\$235 million) because of strong demand from investors. The original issue of 300 million dollars was announced in January. The lead manager and underwriter is Deutsche Bank AG.

◆MESDAQ, Malaysia's new stock exchange, is looking at an average of one listing a month in 2000 and it said that institutional interest in its first listing had been good. The exchange, specializing in growth and technology stocks, makes its debut trading in Supercomal Technologies, a maker of high-speed local area network cabling.

• The Russian Finance Ministry plans to allow foreign bolders of defaulted Treasury bills to buy stocks of six Russian companies on the Moscow Interbank Currency Exchange with the proceeds of its debt swap. Russia defaulted on 281 billion rubles (\$11.5 billion) in Treasury debt in August.

ASIAN CAPITAL HOLDINGS FUND

DIVIDEND NOTICE

At the Annual General Meeting of Shareholders held on

April 28th, 1999 the proposal was approved to pay a dividend of

USD 0,25 per share on or after May 4th, 1999 to shareholders of

record at the close business on April 28th, 1999 and to holders of

bearer shares upon presentation of coupons nº 2 at one of the

From April 29th, 1999 the situres will be quoted ex-dividend on

Luxembourg Stock Exchange and Amsterdam Stock Exchange.

following Paying Agents:

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# Can Match Big Returns

history suggests that over the long-haul, small-cap funds remain as good an investment as large-caps.

growth stock fund.

the emerging-market 18 percent for U.S. technology funds disaster, did you sell? I and 10 percent for growth funds. percent to minus 0.5 percent, mainly But that's not the whole story because of Brazil; that the gross

oping countries of Asia and Latin since the recovery began last au-domestic product of four Southeast

America have staged an exhilarating turnn while no one was looking. comeback, providing yet another lesson to investors that the best kets. Since Sept. 1,

strategy in tough times is to hold on it has returned 45 percent. It is still in

though it fell 1.7 percent on Wed- pensive way to relieve anxieties. nesday). It has returned 33 percent Bolsa index is up 45 percent. Stocks that attempting to time the markets is in Singapore have risen 31 percent, a fruitless and costly pursuit.

Still, it's important to understand in South Korea, 44 percent; Chile, that the comeback of emerging-maremerging-markets stocks have out- result of a comeback in emergingperformed all other sectors in 1999, markets economies.

Two weeks ago, the International

JAMES K. GLASSMAN ON INVESTING

this year — up 20 percent in April dump — and at precisely the wrong alone. So far in 1999, the Mexican time. These investors are learning omics of Asia, would fall by 1.4 percent instead of 0.5 percent. This is not a pretty picture though there is some comfort in the tries?

fact that the IMF's forecasts have As a result, mutual funds that own kets stocks is not necessarily the been consistently wrong. Many emerging countries, especially South Korea and Mexico, have started to renovate their businesses by opening them up to the outside world and by introducing market reforms. Asia," he said.

But the main reasons for the reand 2) investors who feared the worst became slightly more optimistic.

As David Malpass, global strategist for Bear Stearns & Co., put it in a letter to clients: "The world economy and financial markets are benefiting from the softening of Closed-End Fund Digest in Santa 1998's intense risk aversion. And the Barbara, California, is the closed-

ports, high real interest rates in de-veloped countries, the high cost of capital in developing countries, currency uncertainty, Japan's bad monterests in real estate, telecommu-Asian nations - Thailand, the Phil-rency uncertainty, Japan's bad mon-

Consider Fidelity Emerging Marippines, Indonesia and Malaysia — etary policy, and Europe's structural rigidities.

ensive way to relieve anxieties. no change from its previous forement, and, as things get better (interest rates come down, canacity becomes tighter. Japan gets smarter), more money will flow into shares of penses are a hefty 1.9 percent. companies in developing nations. But which shares? In which coun-

Walter Rouleau, editor of Growth gest looking at Guinness Flight Asia market in the world." Small-Cap, Montgomery Emerging Asia, and T. Rowe Price New

The T. Rowe Price fund is esbound of the past eight months are pecially attractive. It has returned 22 that 1) stocks became very cheap, percent this year after losing 11 perpercent this year after losing 11 per-

Another emerging-Asia play, suggested by Patrick Winton of Closed-End Fund Digest in Santa

Northwest Pipe Co., at a P/E

• Mobile Mini Inc., a manu-

Chart Industries Inc., a maker

Emerging-Markets' Gains Teach a Lesson in Patience

Washington Post Service

Washington Post Service

ASHINGTON

Down in the depths of the emerging-market disaster, did you sell? I a percent for U.S. technology funds

Monetary Fund issued new forecasts for 1999, revised from December. The IMF projected that Latin American American Improve the companies of the individual stock on the New Item I Whampoa Lid, the huge Hong

nications and more. Among Latin American funds, Still, this list of Value Line suggests that "risk-tolproblems could be erant investors seeking long-term seen as bullish for capital appreciation consider Scudder Latin America, which has For example, Hong Kong's Hang
Seng index rose again Tuesday for the past three years, but the 12th session of the past 16 (althe 12th session of the past 16 (aldumping it would have been an exthe 12th session of the past 16 (aldumping it would have been an exthe 12th session of the past 16 (aldumping it would have been an exthree months.

Scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scudder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-markets' scuder Latin America, which has seen as bullish for emerging-mar companies and one-quarter in Brazilian. In the past three months the fund has soared 41 percent. Ex-

Barry Geldzahler, the Latin American expert who edits the Taking Stock newsletters in Springfield, Virginia, wrote two months ago that Fund Guide in Rapid City, South
Dakota, is high on Asia. "We sugment looking at Chimnest Ch

On March 1, Mr. Geldzahler added Telefonos de Mexico SA, the telephone giant, to his portfolio; it's also the top holding of the Scudder fund. Since Jan. 13, Telefonos has surged 67 percent.

An easier choice is a traditional cent in 1998. It carries an expense ratio of 1.3 percent, compared with 2.2 percent for the average Asian money around the world. Mark Mononey around the world of the compared with money around the world. Mark Mononey around the world of the compared with money around the world. money around the world. Mark Mobius, who runs Templeton Developing Markets, a high-risk, low-turnover fund, had his assets at year-end evenly divided among Brazil, Mexico, Singapore, South Africa, and Thailand, He knows his business. ness, but the fund's expenses are 2 percent annually plus a cheeky front-end load of 5.75 percent for smaller investors.

By contrast, Vanguard Emerging Markets Stock Index, a passively managed fund that follows a Morgan Stanley Dean Witter index, has expenses of just 0.61 percent and no load. But it has produced a negative. return for the past three years while Mr. Mobius has kept his fund in the black (ever so slightly). The Tem-pleton Fund is up 33 percent in the past three months, while Vanguard has risen 28 percent.

Don't you wish you hadn't sold? E-mail address: jglassman@iht.com

# **Small-Caps Show They**

NEW YORK - U.S. mutual funds investing in small-sized companies are enduring what could be the fifth year of returns that lagged their large-cap rivals. Still,

according to Lipper Inc., a New

hope not. The stocks of the devel-

for dear life.

A report by researchers at Wiesenberger, a unit of Thomson Financial Co., shows that investors did almost as well over the past 20 years owning a small-cap fund as they did holding a large-company

Anyone who invested \$10,000 in an average-performing growth stock fund in March 1979 would have about \$212,060 today, and

\$201,625 today, according to Wiesenberger.

"People have short-term memories when it comes to investing, said Stephanie Kendall, an analyst at Rockville, Maryland-based "These numbers Wiesenberger.

show that investors shouldn't give

up on small-cap stocks." The Wiesenberger study started in March 1979 with 106 large-cap stock funds and 15 small-cap funds Each year new funds were added and the average performance of those funds was included once they were introduced.

Many financial advisers say the rough patch for small-cap stocks cannot last much longer, and they still recommend that mutual-fund

### **Low-Cost Shares Worth Collecting**

cialty cars and motorcycles and WASHINGTON - If you trades at a price-earnings ratio of haven't given up on small-capitalization stocks, this is a good time to start building a low-cost collection. Red Chip Review, based in Portland, Oregon, an exfacturer of steel storage containers and portable offices, with cellent source of research, gives earnings that doubled last year; these boring industrial companies "A" ratings. Each is increasing earnings by at least 15 percent

Edelbrock Corp., which makes after-market parts for spe-

of industrial equipment used in processing gases; it has a fast-growing dividend. which

For Asian Capital Holdings Fund The Paying Agents — James K. Glassman anyone putting the same amount in a investors put some money in smallsmall-cap fund would have about cap stocks. Advertisement INTERNATIONAL FUNDS April 28, 1999 For information please contact, Lyona Rasb: Fax (33-1) 41 43 92 12 or e-mail: fum http://www.ibt.com/HT/FUN Horse Europe Funds 16
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ASIA/PACIFIC

# Indonesian Tycoon Hit Hard by Change

Salim Struggles to Revive His Empire

By Mark Landler New York Times Service

JAKARTA — Few Asian tycoons have suffered so abrupt a Indonesian government reversal of fortune as Anthony 'We have several categories of Salim, the chief executive of Indonesia's largest conglomerate,

This week, Mr. Salim had both a success and a setback in his effort to salvage the tottering empire. Salim Group announced a deal Tuesday to sell its Singapore property holdings to a leading Philippine entrepreneur for \$183 million.

At the same time, Mr. Salim's plan to sell 60 percent of its giant food company hit a snag, when one of the two buyers, Nissin Food Products Co. of Japan, withdrew

from the deal. The other buyer, First Pacific Co. of Hong Kong, said it still intended to acquire a 30 percent stake in the company, PT Indofoods Sukses Makmur. First Pacific said it might eventually increase the stake.

But for now, Nissin's departure cuts the value of the deal in half, to \$285 million. That is another dose

Group, which was devastated by Indonesia's economic collapse and is desperately shedding assets to pay off \$5 billion in debt to the

problems to solve," said Mr. Salim, 49, in an interview. "For Singapore, think this deal is milestone No. 1. And I believe we will be in good shape on the Indonesian side. Mr. Salim's progress is closely

watched here as an indication of how Indonesia's corporate sector will overcome its crushing debt burden. After months of negotiations, two major Indonesian companies, PT Bakrie and PT Mulia Indus-

trindo, reached agreements this week with their banks to reorganize debts of \$1.02 billion and \$550 million, respectively. Few companies are under sharp-

er scrutiny than Salim Group. Founded by Mr. Salim's father, Liem Sice Liong, it grew through close ties with President Suharto into a \$20 billion colossus and a symbol of crony capitalism.

When Mr. Subarto surrendered power last May amid fierce riots of bitter medicine for the Salim and street protests, the upheaval in his major holdings.



Mr. Salim has been trying to sell assets to pay down debt.

seemed to take down his wealthiest crony as well. Angry mobs burned down Mr. Liem's house in Jakarta. and panicked depositors stormed a Salim-owned bank, Bank Central

Asia, to withdraw their money. The bank run, on top of an 80 percent devaluation of the Indonesian rupiah, left Mr. Salim staggering under \$5 billion in bad loans. In September, the government took over BCA and bailed out its depositors in return for stakes in

hundreds of the Salim companies. To repay the government and perhaps repurchase BCA. Mr. Salim has been trying to sell stakes

## Standard to Acquire Holding in Thai Bank

BANGKOK Standard Chartered PLC said Wednesday it but needs capital. would acquire a controlling interest in Nakoruthon Bank PLC of Thai-

land, its second purchase this week in the troubled Asian lending sector. Standard Chartered initially will acquire 68 percent of the small retail lender by injecting 6.2 billion baht

(\$164.5 million) in new capital. That authorities will also inject 13.27 billion baht in bonds to cover negative equity.

The British bank will increase its

ownership gradually through 2005, eventually owning about 82 percent of Nakornthon. Thailand's second oldest bank. The remaining 18 percent will be held by the Wanglee family, the current controllers, and the Bank of Thailand's Financial In-

stitutions Development Fund. The transaction is subject to Finance Ministry approval, regulatory clearance and the approval of Na-

kornthon shareholders. Despite the current economic situation in Thailand and elsewhere in the region, Standard Chartered is confident about the long-term prospects for the country." said Rana Talwar, the group chief executive of Standard Chartered.

Last week Standard Chartered signed a conditional agreement to buy PT Bank Bali of Indonesia, the first significant foreign investment and recapitalize the lending system.

Analysts said both transactions carried the imprint of Mr. Talwar's strategy of further expanding the bank's emerging-market presence. 'It's quite sensible. They are filling in holes in their regional network," said Stephen Frost, regional

banking analyst at HSBC Securities. Standard Analysts said Chartered's move would provide a boost to other Thai banks in need of fresh capital to cover doubtful debts.

"It means deals are more doable," said Andrew Maule, a banking analyst at ABN AMRO Asia. Mr. Maule added that in Bank analysts said. (Bloomberg, Reuters)

ing a lender that has a good franchise

The Nakornthon acquisition means Standard Chartered, which has a longstanding but limited pres-ence in Thailand, is finally getting space to expand. Mr. Frost said. (Bridge News, AFP)

### 3 Bidders Seeking To Buy Korea Life

SEOUL - Axa SA of France. Metropolitan Life Insurance Co. of the United States and LG Group are among the bidders for Korea Life Insurance Co., the government said Wednesday, as part of a program to sell a quarter of its life insurance

industry to foreigners.

The three bidders have until May 8 to submit proposals for South Korea's third-largest life insurer, said Lee Jong Koo, director-general of South Korea's Financial Supervisory Commission, which is overseeing the country's financial reforms.

The government hopes to select a

buyer by the end of June. The multibillion-dollar sale of Korea Life and six other firms, which together hold about 25 percent of South Korea's life insurance market. in the nation's banking sector since will help raise funds to rebuild the the government began to restructure country's financial system, which all but collapsed in late 1997.

This is a one-off chance to ge into the Korean market." said Tim Ferdinand, deputy managing director at CLSA Equity Capital Markets Ltd., which is advising the government on the sale of each of the insurance companies up for sale with the exception of Korea Life.

South Korea's insurance market is growing more than twice as fast as the U.S. market. Total insurance premiums collected in Korea are growing at about 15.6 percent a year, compared with about 6 percent in the U.S. life insurance market.



### Very briefly:

 South Korea denied it was trying to back out of deals to sell. Korea First Bank .o Newbridge Capital Ltd. and Kookmin Bank to Goldman. Sachs & Co., saying both deals would be good for the deve.opment of Korea's ailing banking industry. The Finance Mir stry denied the ministry had been critical of the terms of the deals, but the chairman of the Financial Supervisory Commission, which is negotiating with Newbridge, conceded negotiations had not gone smoothly.

• Nissan Motor Co. plans to cut the number of board members to 10 from 37 at the end of June, following its landmark tie-up with Renault SA.

 Hong Kong Telecommunications Ltd. plans to invest an initial 40 million to 50 million Hong Kong dollars (\$5.2) million to \$6.4 million) to implement a high-speed wireless data transmission system supplied by Nokia Oy.

• Siam Cement PCL posted a loss of 1.17 billion baht (\$31) million) in the first quarter, reversing a profit of 24.4 billion baht a year ago, as it made provisions for an early retirement program and as a weakening baht magnified foreign debt. Singapore Telecommunications Ltd. is spending 100 million Singapore dollars (\$59 million) to fix the so-called Year

 Korea Telecom Co., South Korea's largest telephone com; pany, plans to invest 350 billion won (\$297 million) to speed its Internet service, Kornet, tenfold.

# Factory Output in Japan Falls Sharply

Carmilled by Our Staff From Disposches TOKYO - Industrial output tumbled 7.1 percent in Japan in the percent from the previous month. year to March, its worst performance in 24 years, crippled by poor demand in the face of a tough re-

cession, officials said Wednesday. It was the first fall for five years in industrial output, which measures production at factories and mines. Output rose 1.2 percent the previous year, the Ministry of International Trade and Industry said.

But investors were heartened by output in March, which rose 2.2 "We are very encouraged," said

Richard Jerram, the chief economist at ING Barings in Tokyo. "This is clearly much better than peoplewere looking for." The yen rose after the data were

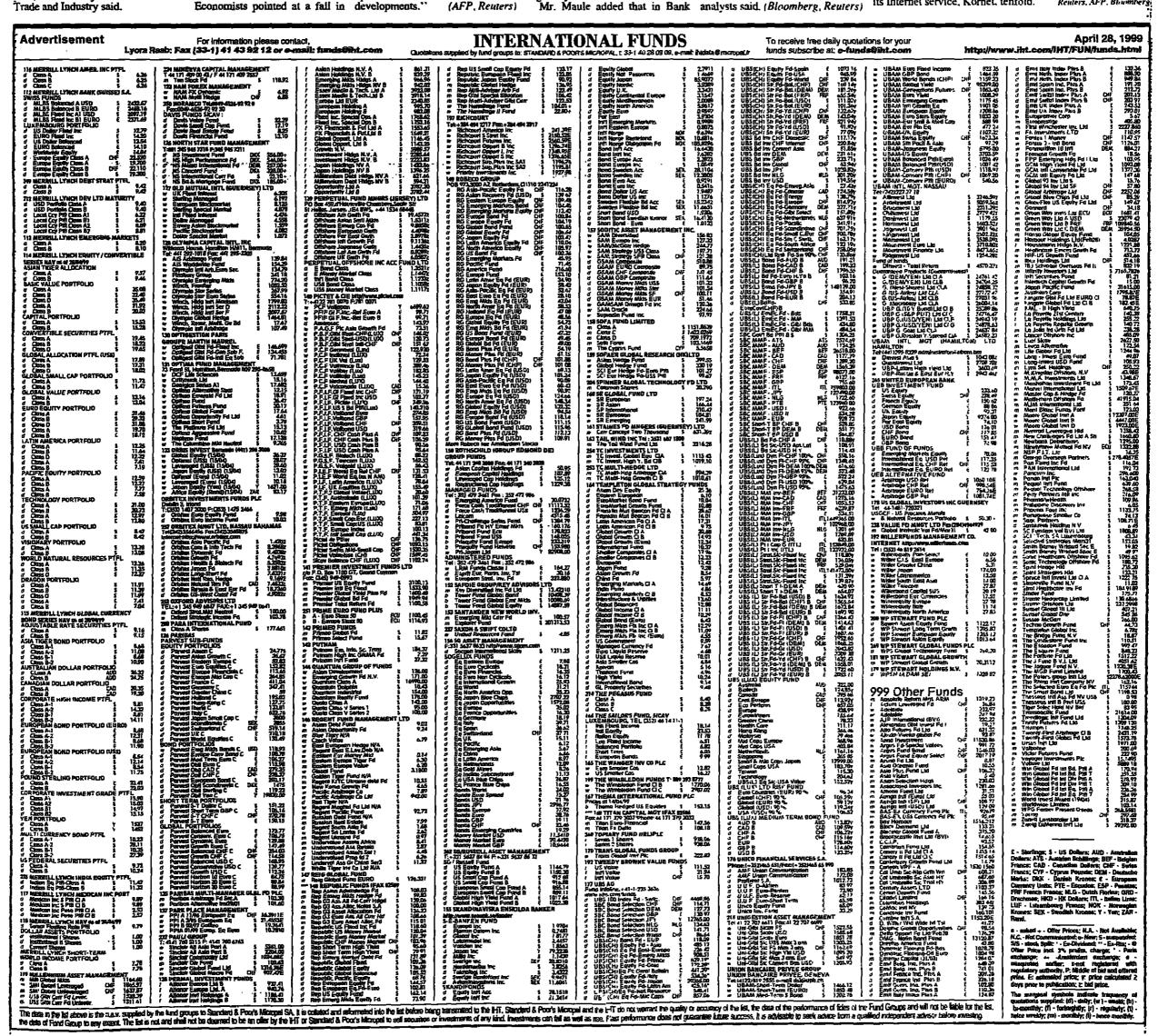
released, but the dollar ended in Tokyo at 120.00 yen, up from

cent in March, and a rise in industrial shipments, which were up 2.9 percent in the month. The figures also showed that out-

put was not dependent on government stimulus packages. Prime Minister Keizo Obuchi said

inventories, which slipped 0.8 per-

Wednesday he was not considering a supplementary budget to lift the economy. But he kept his options open. "We will continue to watch (AFP, Reuters)



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### Ivanisevic Loses Match and Money

TENNUS Goran Ivanisevic, the No. 2 seed, lost to Markus Hantschk on Wednesday in the first round of the Czech Open in Prague.

Ivanisevic led 7-6 (7-4) when the match was suspended Tuesday because of darkness. When it resumed Wednesday, Hantschk, a German ranked No. 122, won the next two sets, 6-2, 6-4, with Ivanisevic apparently intentionally missing shots and drawing jeers from the fans, according to the CTK news agency. The Croatian also faces a fine for refusing to attend a news conference after the match, CTK said.

Peter Kovarcik, a tournament organizer, said Ivanisevic would lose the \$100,000 he was to receive as

appearance money. "He did not play anything, so he will not get anything." CTK quoted Kovarcik as saying.

In second-round matches on Wednesday, Brazil's Fernando Meligeni upset third-seeded Cedric Pioline of France, 6-0, 5-7, 6-1, while fifth-seeded Dominik Hrbaty of Slovakia beat Russian Andrei Cherkasov 4-6, 6-0, 6-3.

· Venus Williams earned a convincing 6-3, 6-1 victory over Magui Serna of Spain at the Hamburg Open on Wednesday. The victory was her first on clay this year.

"I enjoyed playing on red clay again," Williams said. "You have to be able to play well on all sur-(AP, AFP)



Venus Williams hitting a backhand return to Magui Serna in Hamburg on Wednesday.

### **Derby Horse Wins Purse**

HORSE RACING A judge ruled in Little Rock, Arkansas, Tuesday that Oaklawn Park race track must pay Jim Jackson, the owner of Valhol. the \$300,000 first-place prize in the Arkansas Derby, clearing the way for the gelding to run Saturday in the Kentucky Derby.

/alhoi won the Arkansas Derb' on April 10, but Oaklawn withheld the purse after allegations that Billy Patin, Valhol's jockey, carried an illegal electrical device in the race.

Without the \$300,000 purse, Valhol may not have qualified for the Derby where total winnings are used when paring the field down to the maximum of 20 horses. (LAT)

### Engquist Has Cancer

ATHLETICS Ludmila Engquist, the World and Olympic 100-meter hurdles champion, said Wednesday that she has had surgery for breast cancer and will have chemotherapy. "I cannot have survival as my

only goal. That would be too borshe said. "My goal is to come back in best running form." (AP)

# WORLD ROUNDUP Twilight of the Millennium **Brings Exit of Sports Gods**

Jordan, Gretzky, Seizinger and Elway All Say Good-Bye

By Christopher Clarey
International Herald Tribune

Seville, Spain—Could it be a different sort of millennium bug? First Michael Jordan. Then Wayne Gretzky and Katja Seizinger. Now John Elway and soon, if he really does mean it this time, Boris Becker.

Retirement is all the rage in 1999, and though retirement is as much a part of professional sports as it is professional life, there never has been a four-

### VANTAGE POINT

month stretch quite like this one; never such a condensed period when so many seminal figures stopped playing their games.

fordan did not score 100 points in a night as Wilt Chamberlain once did, but he is widely and rightly considered the finest and most complete basketball player in history. Wayne Gretzky lacked the white hot, goal-seeking ferocity of Gordie Howe but "the Great One" would get more votes than Howe or anyone else as the most accomplished hockey player of all time.

Seizinger was not in Gretzky's class and definitely not in Jordan's. Like Deborah Compagnoni, another recently retired European, she was simply an exceptional skier, not a transcendent force whose accomplishments and celebrity resonated far beyond the corridors of her sport. No sporting goods giant chose to use her image to move products across time zones. Teenagers worldwide never wore jerseys with "Katja" on the backs or mimicked her technically perfect tucks as they did

Jordan's gravity-flouting dunks. But the discreet and determined German who ended her career last week at 26 was at times just as dominant. She is the only person to have won consecutive Olympic downhills, and she was the premier speed skier of the 1990s on the World Cup circuit, a far more accurate testing ground of an aloine competitor's worth than the Olympic lottery.

In the 1997-98 season, she won six consecutive World Cup races, something only Jean-Claude Killy had done before. But after winning her second overall World Cup title, she suffered the first major injury of her career in the off-season, tearing knee ligaments. After missing last season while rehabilitating, she announced last week, shortly after training with her German teammates, that she would not continue. "My decision has nothing to do with my injury." said Seizinger, who plans to complete her undergraduate studies in economics and join her father's successful steel business. "I have no problems with my knees anymore. It's just that I've got other goals for myself now.'

WINDHOEK, Namibia — Namibia's partic-

in danger because of an escalating racial dispute, a leading Namibian official said Wednesday.

completing its remaining three matches in a South

World Cup preparation.

The ban was imposed after the commission lost patience with the Namibian Rugby Union, which had been criticized by nonwhite rugby clubs for what

"The World Cup is actually in jeopardy unless

something very serious happens," said Karl Persendt, the Sports Commission chairman. "We

have had a lot of verbal promises and written agreements from the NRU, but there is just no

Last week, the commission ordered the union to

field six black players in its representative side, the

Kudus, in South Africa's Vodacom Cup. It also

ordered the union to suspend its national club

World Cup preparation.

they claim are its racist attitudes.

changed, too, and at age 38, it is easy to believe him. He played a complex, staccato sport that lacked the lobal reach of its more free-flowing competitors. But the hype and pageantry of the Super Bowl translate better to international audiences than the intricacies of the NFL. For the past two years, Elway has led his Denver Broncos to victory in North America's biggest though hardly best sports event. Elway came out of Stanford University as one of

the most promising collegiate quarterbacks in his-tory, and anyone who watched a football leave his right hand in a remarkable hurry and spiral deep, deep downfield could comprehend why. Nonetheless, he had to wait 14 seasons to win his first National Football League championship. It was that wait that helped make him more accessible. Now, he has no more gaps to fill and a knee that is sore enough often enough to make one more season superfluous. He planned to announce his decision on April 21 but chose to wait because of what happened on April 20 in the Denver suburb of Littleton, where 12 high school students and a teacher were murdered by two other students. "We wanted to make sure we did not in any way interrupt the grieving process,' said Pat Bowlen, the Broncos president.

Elway's announcement would indeed have been a distraction, which speaks volumes, but not well, of his society's problems and attitudes. He is not just an American star dimple-chinned, maxim-reaffirming proof that patience is a virtue. He is a Denver institution and, like Jordan in Chicago, a throwback in this ever-more mercenary sports era in that he played his entire professional career for one team. Ronaldo, the young Brazilian soccer star, already has played for four different professional clubs and is making rumblings about looking for a fifth.

Gretzky played first in his native Canada in Edmonton and then in Los Angeles, St. Louis and, ultimately, New York. Unlike Jordan and Elway, he did not go out on top. Iordan's last shot was a championship-winning jumper. Elway's last Super Bowl ended with him being named Most Valuable Player. But Gretzky's last game on April 18 was more nostalgic than relevant. His Rangers failed to make the NHL playoffs and his once consummate skills had declined. Those are more customary reasons for retirement, but the lack of an exclamation point does not diminish the quality of the ocuvre.

His legacy is a million memories," Glen Sather, Gretzky's former coach in Edmonton, told the New York Times.

Great painters leave behind pictures; great architects buildings or bridges.

Great athletes are different. No matter how many banners or trophies they accumulate, one has to watch them work to appreciate their work. And for those who saw, really saw, Gretzky skate, Seizinger Elway, who will make his retirement official at a ski, Elway scramble and Jordan soar, it will long be news conference Sunday, says his goals have just a bit more pleasurable to let the mind wander.

clubs on an independently run task force to resolve

Andries Wahl, chairman of the National Rugby

mission to reconsider, and we hope to have the issue

resolved by Thursday."

Until independence in 1990, the former South

West Africa was a protectorate under the control of

Nonwhite clubs say that white referees are biased

against them in matches and that they have been

denied fair representation on the field and in the

Rugby Union's administration.
"The quota is but one issue," Persendt said. "We

are totally in turmoil as far as many other issues are

concerned. There has been no affirmative action, no

development of black players and there has been

discrimination by white referees. Somewhere along the lines someone has to say that this is not right."

the apartheid government of South Africa.



Christian Vieri of Italy, right, and Damir Milinovic of Croatia chasing after a ball during their friendly soccer match in Zagreb on Wednesday. The game ended in a scoreless tie,

# Nantes Gets to French Cup Final

NANTES, France — A 75thminute solo goal from midfielder in the last 15 minutes. Nicolas Savinaud gave Nantes a Nimes on Wednesday and a place in the French Cup final.

Nantes, the only first-division side to reach the quarterfinals, will play second-division Sedan in the final at the Stade de France in St. Denis on May 15.

Nantes was in control for the entire game, denying Nimes any realistic opportunity to score. Sedan reached the French Cup final for the first time in 34 years in which four goals were scored EUROPEAN CUP Norway went after that.

1-0 victory over second-division to the top of Group 2 in the European Championship 2000 qualifying round Wednesday with a superb 4-1 victory over Georgia

> All of Norway's goals came from players based in the English Premier League. Tottenham striker Steffen

Iversen gave the visitors a 15th minute lead and another Londonbased player, Tore Andre Flo of Chelsea, made it 2-0 11 minutes when it beat Le Mans, 4-3, on later. The Manchester United for-

Tuesday after a bizarre extra time ward Ole Gunnar Solskjaer got in on the act after 34 minutes before Flo made it 4-0 three minutes

Georgia got a consolation goal after 57 minutes through Zaza

The victory put Norway ahead of Latvia, which played to a score-less tie with Albania in Riga.

SPAIN Christian Panucci, Real Madrid's Italian defender, will join Inter Milan for next season. John Toshack, the Real Madrid coach, said Wednesday. Panucci, a 26-year-old Italian, joined Real in 1997 from AC Milan.

(Reuters, AFP, AP)

# Sabres First to the Second Round

The Associated Press

The Buffalo Sabres became the first team to gain the second round of the playoffs when they completed a surprising sweep of the Ottawa Senators.
The Sabres won, 4-3, Tuesday night and were joined in the playoffs later in the evening by Detroit, which swept Anaheim, and Dallas, which

ept Edmonton. "Nobody expected us to win 4-0," said Dominik
Hasek, the Sabres goaltender. "Nobody in this
locker room expected it."

Race Issue Splits Namibia Rugby The Senators finished second in the Eastern Conference, 12 points ahead of the seventh-place Sabres. The Sabres hadn't beaten the Senators all Dispute Threatens to Keep National Team From World Cup

season, going 0-1-4. Hasek made 40 saves and Vaclav Varada scored league and join representatives of the nonwhite two goals to lead the Sabres.

Hasek had his shutout streak snapped at 144 3-1 lead over St. Louis in their Western Conference ipation in the Rugby World Cup this year could be the problems within the game. But Persendt said the minutes, 55 seconds on a goal by Jason York at 6:24 series.

union had flouted the agreement by deciding to of the second period. award league points for "friendly" club matches at The three goals aga The three goals against Hasek matched the total scored against him in the first three games. Hasek allowed six goals on 162 shots in the series.

scored goals in the series and 14 finished with

Red Wings 3, Mighty Ducks 0 The Red Wings took their first step toward a third consecutive Stanley Cup title with their sweep.

Tomas Holmstrom snapped a scoreless tie with his goal at 16:44 of the second period, and Chris Osgood stopped 31 shots as the Red Wings won in Anaheim to sweep the Mighty Ducks for the second time in the playoffs.

Brendan Shanahan and Vyacheslav Kozlov added goals in the third period. Osgood, meanwhile, recorded his sixth playoff shutout. Stars 3, Oilers 2 Joe Nieuwendyk scored with 2:26

to victory over the No. 8 Oilers in Edmonton. Sergei Zubov shot from the point and the puck ticked off Nieuwendyk's right leg and past goaltender Tommy Salo, sending the Stars into the second round.

The goal was the second of the night for Nieuwendyk in a tense playoff game that was the

TOWNS OF BUILDING

12th longest in NHL history. It was the longest game for either franchise.

The Stars, who finished 36 points ahead of the Oilers during the regular season, outshot Edmonton 56-39, including 11-2 in the third overtime period. Coyotes 2, Blues 1 Dallas Drake's power-play goal snapped a second-period tie, giving Phoenix a

Greg Adams also scored, and Nikolai Khabibulin made 27 saves for the visiting Coyotes, who have

won three straight since losing the opener at home.

The Blues' Pascal Rheaume got his first goal of En route to their sweep, the Sabres held high-scoring Alexei Yashin without a point. Nine Sabres his Game 3 disaster, when he allowed four goals on 10 shots. But the Coyotes closed down high-scoring defenseman Al MacInnis, who entered the game with an NHL-leading eight points in the playoffs.

Devils 4, Penguins 2 Randy McKay scored just before the end of the first period and Sergei Brylin struck just after the intermission as New Jersey won in Pittsburgh to even the series at two games

The Devils were knocked out early from the Eastern Conference playoffs as the No. I seed the last two seasons.

laromir lagr, the NHL's three-time scoring champion, may return for Pittsburgh in the next game. Jagr missed his third straight game of the left in the third overtime to lead the top-ranked Stars series with a strained groin.

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The Namibian government's Sports Commission on Monday barred the national team from squad of 26 rather than a team of 15.

African domestic competition it had been using for Union, said: "We have asked the Sports Com-

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**SPORTS** 

# Yanks Rescue Clemens's Streak

The Associated Press

The New York Yankees saved Roger Clemens's 17-game winning streak with two runs in the ninth inning on the road

Clemens was hit hard in the first inning and left after the second because of a bad hamstring. But he finished with no decision Tuesday night as the Yankees railied to win, 7-6.

Clemens beat the Rangers at Yankee Stadium in his previous start and had a chance to set an American League record in his home state. But the first five Texas batters reached base, and a tworun double by Todd Zeile made it 5-0.

Clemens pitched a perfect second inning, then Hideki Irabu relieved to begin the third. Clemens shares the AL mark of 17 straight victories with Johnny Allen of Cleveland and Dave McNally of Baltimore. Carl Hubbell bolds the major league record of 24 straight victories, set in 1936-37 for the New York Giants.

pitcher who was the most valuable player in the Yankees' 1996 World Series victory, took over in the ninth with Texas ahead 6-5. Paul O'Neill hit a tying single, and Chili Davis had a sacrifice fly.

Orioles 8, Royals 4 Baltimore held a team meeting before the game, then improved the majors' worst record to 5-14 behind B.J. Surhoff's career-high five hits against visiting Kansas City. Surhoff went 5-for-5 as the Orioles won

for only the second time in 10 games.

Blue Jaya 10, Angels 1 Pat Hentgen held Anaheim to three hits in seven scoreless innings as Toronto stopped its four-game losing streak. The visiting Blue Jays stole four bases

in a four-run first inning. Tigers 5, Mariners 1 Brad Ausmus, Damion Easley and Karim Garcia

### BASEBALL ROUNDUP

homered as Detroit sent Seattle to its fifth straight home loss. hadisms 6, Athletics 6 Manny Ramirez

hit a two-run homer in the first inning, as Cleveland won in Oakland. Twins 6, Red Sox 5 Todd Walker hit a tie-breaking, two-run single in the eighth inning as Minnesota beat Boston in Min-

In National League games, The Associated Press reported:

cka o Shane Astros 11. Dia John Wetteland, the Rangers' relief Reynolds pitched no-hit ball for 61/3 innings and drove in three runs as Houston routed visiting Arizona.

The right-hander held Arizona hitless until his former teammate Luis Gonzalez lined a single to right in the seventh. Reynolds acknowledged that a no-hitter had crossed his mind. "I was thinking to

throw one would be nice," he said.
Reynolds (4-1) pitched eight innings, He also contributed at the plate, squeez-

ing home a run in a six-run fourth and hitting a two-run double in the seventh. Craig Biggio homered, doubled and drove in three runs for the Astros, who lost the shortstop Ricky Gutierrez with a fractured left hand.

Mertine 8, Cube 0 Cliff Floyd had two singles in his 1999 debut, and Alex Fernandez came off the disabled list and pitched four scoreless innings in his first start since April 11 as Florida beat Chicago in Miami.

Floyd, returning from a spring-training knee injury, singled in his first time at bat and then singled in the sixth before departing for a pinch runner. Phates 5, Braves 3 Jason Schmidt

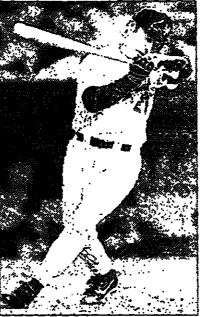
pitched seven solid innings against his former team as visiting Pittsburgh snapped a four-game losing streak. Schmidt, who has a 6.30 earned run average against the Braves since they

won the game for Philadelphia with a runscoring single in the bottom of the 10th. Padres 6, Mots 2 Greg Myers entered the game after the catcher Jim Leyritz

dealt him to Pittsburgh three years ago,

allowed six hits and three runs.

double as San Diego won in New York. Dodgers 3, Brewers 2 Raul Mondesi allowing five hits and striking out five. homer and Kevin Brown survived a knee surgery as St. Louis at home, won shaky start as Los Angeles won in Mil- for the ninth time in 14 games.



Phillies 1, Reds 0 Curt Schilling pitched Masato Yoshii, the Mets starter. nine shutout innings, and Doug Glanville avoiding a close pitch from a Padre.

wankee and snapped the Brewers' fourgame winning streak. Giants 3, Expos 2 Stan Javier scored in

was hurt and hit a tie-breaking two-run the 10th on a wild pitch by Ugueth Urbina as San Francisco won in Montreal. Cardinals 7 Rockies 5 Ray Lankford hit his National League-leading eighth homered in his first start since off-season

# Iverson's 31 Puts 76ers In the Winning Column

The Associated Press

close in on a play off berth and guarantee trailed by 10 points in the fourth the franchise's first winning season since 1990-41.

That was also the last season Philadelphia was in the playofts. The

NBA ROUNDUP 76ers' magic number to clinch a playoff

berth is two. "I don't want to start thinking about that now," said Iverson, who saw the 76ers go a combined 53-111 in his first two seasons. "That would be crazy. I would be lying to say that I'm not thinking about it. But I'm not concentrating on that because I know we've still got to win games.

The victory was the 76ers' fifth straight and moved them 11/2 games in front of idle Milwaukee for the fifth seed

in the Eastern Conference. Hornets 108, Raptors 98 In Toronto, Eddie Jones scored 28 points and Bobby Phills had 20 as the Homets moved within one game of eighth-place New York. They also won the season series

from the Raptors.

26 18 25 19- 88 22 25 22 18- 87

(Snow 5). Miempi

Allen Iverson scured 31 points to lead scored 32 points and Jerome Williams the Philadelphia 76ers to an 80-71 vic- had 21 points, 14 rebounds and seven tory over the Cleveland Cavaliers to steals to lead visiting Detroit, which

auarter. Heat 95, Nets 76 Jamai Mashburn scored 16 points to lead Miami, which won in New Jersey without center Alonzo Mourning, who returned to Miami on Tuesday after being poked in the eye the night before in Cleveland.

Magic 88, Pacers 87 Darrell Armstrong's 17-footer with 1.6 seconds left gave Orlando the victory in Indianapolis and kept it within two games of firstplace Miami in the Atlantic Division.

Mayoricks 84, Grizzlies 75 In Dallas, Gary Trent had 20 points against Vancouver to lead the Mavericks to their sixth victory in their past eight games.

Kings 104, Spurs 100 Vlade Divac had 27 points and 15 rebounds and Jason Williams scored seven points in overtime as Sacramento won for the sixth time in seven games to move past idle Minnesota and into the seventh playoff spot in the Western Conference.

SuperSonics 90, Jazz 85 Gary Payton scored 30 points to lead Seattle into a tie with Minnesota for the final Western Conference playoff spot.

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Montgomery (8) and Kreuters Mussina,
Oresco (9), Timfin (8) and C. Johnson (1),
Baffinore, Surhoff (3), C. Johnson (1),
Baffinore, Surhoff (3), C. Johnson (1),
Bastos 640 900 601—5 11 0

Missasouts 800 112 022—5 9

Portugol, Corneler (6), Cossi (7), Garthele (5)
and Varitety Milson, Geordeda (8), Aquillera (7) and Sheinbach, W.—Guerdada, 1-1.

1.—Corsl, 0-2, Sy—Aguillera (4),
HRs.—Backon, D. Lewis (1), Jefferson (2),
Mew York 800 821 102—7 14 8

Tetass 300 910 806—6 7 1

Clemens, Irolu (3), Nelson (8), Starton (8),
Ar Rhard 90 and Girardi, Posado (8); Sels.
Zimmerman (6), Wethelond (9) and
LRodriguez, W.—Storton, 1-1. L.—Wettsland,
O-1. Sy—M. Rivert (3), HRs.—New York,
O'l See 821 13 068—10 13 0 August (7) and Electrical (8) and (1) and (1)

(7), F. Heredia (8) and Santiago, S. Martinez.
(7); A. Fernandez. Edmandson (3),
Darrensbourg (8), Looper (9) and Fobregos.
W.—Edmandson. 1-1. L.—S. Sanders, D-3.
HRs.—Florida, A. Gonzzalez (7), Karsay (7).
Los Angeles. 818 082 080-3 7 1
Milmatoline 89 080 980-2 6 1
K. Brown, P. Borbon (7), Milla (8), Show (9)
and Hundley: Roque, Falticlesk (7), Rayes
(8), M. Myers (9) and Nilsson, W. M. Brown,
2-1, L.—Roque, D-2, Sw.—Show (5), HRs.—Los
Angeles, Mondesi (8). Milwowkes, Burnitz
(6). (6).
Clarcinandi 666 500 500 8—9 5 1
Pistadelphia 800 500 600 1—7 7 8
(16 innings)
Neogie, Sullivan (7), G. White (9), Groves
(10) and Trubersee B. Johnson (7);
Schilling, Poole (10), Brantley (10) and Liebarthal W—Brantley, 1—0, L—G. White, 0—2.

JAPANESE LEAGUES TURSDAY RESULTS Selbu 1, Lotte 6 Ortx 6, Kinfetsu 2 PACIFIC LEAGUE Dalei & Nippon Hom 6 Kintetsu & Orix 3 BASKETBALL NBA STANDINGS

.391 .356 .311 26 29 31 CENTRAL DIV 29 17 28 17 25 20 25 20 25 22 22 21 21 24 12 34 .630 .622 .556 .556 .511 .489 .467 CENTRAL LEAGUE 1. T Pct G8 5 0 J62 — 8 0 529 5 10 0 A74 6 11 0 A50 6% 11 0 A21 7 12 0 J33 84 Charlotte
Toranta
Cleveland
Chicago 12 .739 13 .71 17 .622 23 .689 29 .370 31 .311 38 .174 PACIFIC DIVISION

TUESDAY RESULTS
Charlotts
Tuesday RESULTS
20 29 27 31-109
Toronto
21 29 49 21 29-98
C: Jones 6-14 15-17 28, Phillis 8-16-2-2 20; T:
McGrady 9-12 8-8 27, V.Corter 9-19 3-3 22.
Rebounds: Charlotte 47 (Colemon 9), Toronto
54 (Ookley 10), Assists: Charlotte 22 (Phillis
63, Tomorto 22 (Onkiew)

4-5 (a. Rehounds: S.A. 82 (Duncan 19).
50cm. 59 (Divoc 15). Assists: S.A. 82 (Indinasan 12). Socramente 20 (I.V/likams 27).
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Seattle 29 16 22 23 – 90 54 (Ookiey 10). Assistis: Charlothe 22 (Philis 6), Toronto 22 (Ookiey 5).

Detroit 19 19 25 29—92

Bosten 20 27 26 12—85

D: Hith 12-20 8-15 32, Williams 9-15 3-4 21,

Rehounds: Detroit 48 (Wilsons 1-4), Boston 55 (Bottle 13). Assistis: Detroit 12 (Hunfer 4), Roston 18 (Marres, Pathemia 4).

11: Mariana 12.19 5.4 29, Stockton 6.11 6-7 U: Motore 12-19 5-9 79, Statistan 6-11 6-7 12: S. Paydon 10-20 8-10 33, Schristing 4-1 0-918, Howkins 6-12 2-6 18, Rebounds: Utah 52 (Motore 13), Seattle 45 (Schrampf, Polynice 8), Assists: Utah 19 (Stockion 5), Seattle 15 (Paylon 8). tapenka 4). 25 16 21 9-- 71 17 22 21 28-- 80 C: Anderson 5-13 7-9 17, DeClercq 5-11 4-8
14: P: Iverson 11-22 6-8 31, Parillet 4-8 6-8

ICE HOCKEY NHL PLAYOFFS Ottown 0 2 1-3
Bullide 2 1 1-4
1st Period: 8-Rasmussen 1 (Varada.
Primany 2,8-Varada ) (Pea, Ward) 24 Period:
O-Yank 1 (Alfrestson, Redden) 4,8-Varada 2

Philadelphia 52 (Patiet 1). Assists: ron; 2d Persot 8-Zifinik 1 Livreau Grasek)
Covetans 17 (Person 5.: Philadelphia 16
(Snat 5): 902 O 15-17-11—4. B-11-10-5-2b, Goalles: 0-

Mampi Mem Jersey 15 17 13 31— 76 Mr. Mashburn 5-13 0-3 15, Lenard 6-12 6-9 14: N.L. Cort 7-14 0-0 18; Pittler 5-13 5-6 17 Rebounds: Thomas 5-5 (Mashburn Brown, Vicemerspear 9), New Jersey 45 (Feech 12), Assists: (Alema 18 (Hordowny 5), New Jersey 14 (Marcha) Pritisburgh 1 1 6—2 1st Period: N.J.-Roiston 1 (Brodeuri (shi). 2 P-1st Period: N.J. - Rolson I (Strateur en). 2 P. Hrding 2 (Strasm, Milec) (pp.), 3 N.J. - McKiny I Stries Holiki 2d Period: N.J. Strylin 2 Neglemanyer, Holiki), 5 P. Strawn I Gradia, Harcher (Ep), 3d Period: N.J. Streens I (Holik Jack any (pp.) Shors on gode N.J. 12-18-8—39. P. 5-9—18. Godies: N.J. Stryleur, P. Barnesso.

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3d Overfine: 5. (2-Nieumendy), 3 (Zubov. Hogue) Shots on good: D. 7-8-14-6-10-11-56, E- 5-5-10-11-6-2-39, Goodies: D-Beltour, E-Solio.

anaperin 1st Period: None, 26 Period: D-Holmstom 3 (Lidstram) 3d Period: D-Shanohon 3 (Fedorov, Yzeman) 3. D-Kazlov 2 (Ladorov, Samuelsson) Shorts on great D- 147-17-38. A- 1646-31

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the Seattle Moniners for cash.
TORONTO—Recolled LHP Steve Sincial from Symcuse IL Optioned OF Anthony Sonders to Syrocuse.

NATIONAL LEAGUE
CHICAGO—Activated RHP Kurl Miller from
the disabled list. Placed RHP Matt Korchnet
on the 15-day disabled list, retroactive to April

26. FLORIDA — Optioned OF Tim Hyers to Cal-gar, PCL. Activated RHP Alex Formander from the 15-day disabled its. MONTREAL — Activated LHP Steve Kine from the 15-day disabled list. SAN DISCO—Sent 38 George Area to Roativa Expension LLD — 20 day who this list. Cho Cucomongo, CL on a 20-day renabilitie RACKITRALL

MATIONAL BASKETBALL ASSCRIATION
MEW JERSEY—Signed C William Cuminghom for the remolader of the season, Put F
Keith Van Horn on the injured list
SEATTLE—Activated C Visionar Stepania
from the injured list. Placed F Roshard Lewis
on the injured list.

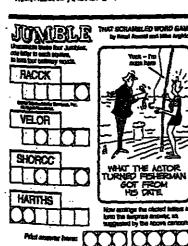
HATTONAL HOCKEY LEAGUE
NATIONAL HOCKEY LEAGUE
Stu Grimson for one game for cross-che

AMAHEIM --- Signed PITTSBURGH —Recoiled C Bri from Adirondock, AHL BOSTON —Recolled F Randy Roblints
Trum Providence, AHL.

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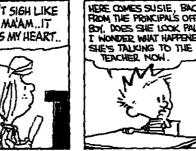
SEE THAT TINY POT?

THAT'S YOUR BRAIN



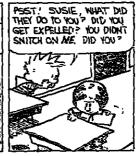
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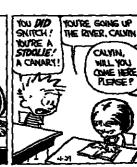
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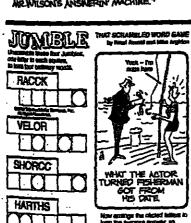
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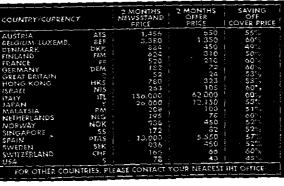




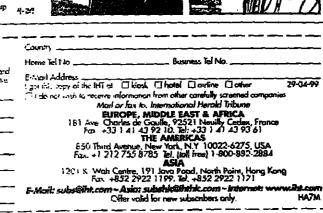




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### ART BUCHWALD

### The World in a Cart

ethnic group after ethnic my Crepes Evita Peron.'
group arrives here, with just the clothes they are wearing, in no time they become fi-

nancial successes through their own energy and ambi-

This is particularly true of those who go into the hot dog

stand business. The city corners are now loaded with food carts, and many of them have become the most popular places to have lunch.

What is amazing is how the number of carts has exploded. When I first came to New York last September my hot dog purveyor, Juan San Fillippo Usted, sold hot dogs, soft drinks and Baby Ruth bars.

The next month I noticed that besides hot dogs he was offering hot tamales, knishes (potato hand grenades), egg rolls and roasted chestnuts. "I'm sayou're expanding," I said.
He replied, "The sidewalk advance."

NEW YORK—The thing on Madison Avenue and 50th that makes New York Street has been good to me. such a great place is that as Come back next week and try

> When I came back Juan had a new umbrella featuring, in beautiful Old English lettering, the words: "Specialites du Jour — Duck l'Orange, Filet de Sole Saute, Poulet in a Paper Bag and Apple Pan Dowdy." By this time Juan was wearing a chef's hat and sniffing the contents of his pots and pans.

He said, "I'm in a panic. The New York Times is going to review me tomorrow, and my truffles haven't arrived." "Is this it, or are you going to expand your menu any fur-

'The city is complaining that my customers are taking up all the sidewalk, so I'm only adding sweetbreads and caviar in a baked potato." "Juan," I said, "I admire

you. You have made sidewalk eating a gastronomic pleas-ure. May I have a hot dog?" "I'm sorry. For hot dogs you have to order 24 hours in

### A Very Mysterious Meeting

NEW YORK — The mystery writer P.D. James and Steve Bochco, the producer and screenwriter whose credits include such television hits as "Hill Street Blues" and "N.Y.P.D. Blue," will be honored Thursday night in New York, where 800 authors, agents, publishers, editors and producers are to gather for the 54th annual Edgar Allan Poe Awards of the Mystery Writers of America.

James, whose novels include such best-sellers as "A Certain Justice" and such characters as Adam Dalgliesh of Scotland Yard, will join Daphne du Maurier, Dick Francis, Graham Greene and Ed McBain as a recipient of the Grand Master award for long-term achievement. Bochco will receive the Raven for significant contribution to the genre. Edgars will be awarded in several categories, from best novel and best first novel by an American to best television episode and movie.

# Veteran Chinese Director Peels Away His Masks

whims of fortune: During the 1980s, as an acclaimed director, he headed Xian Film Studio, the cradle of the New Chinese Cinema, which burst upon the international scene with the force of a revelation. Less than a decade later, he was reduced to running a video store in Los Angeles. Today, Wu, at 60, is once again

working as a director in China. On a recent visit to New York, he looked back on these twists of fate with remarkable good humor. What's the secret of his equanimity? "I'm very easy-going," he explained through a translator. "I have no heart and no lungs." Meaning? "I don't let things get to me. There's an old Chinese poem that says, 'If you've been through the big wave of the ocean, the quiet water of the river cannot disturb

masks as if by magic. Master Lliang (Zhao Zhigang), a celebrated female impersonator in a local opera company, admires Wang's artistry, but Wang declines the offer to join Lliang's wealthy troupe. Instead, he longs for a male heir to inherit the secrets of his skill. On

the black market, Wang meets Doggie (Zhou Ren-ying), a 7-year-old put up for sale by his destitute father. An ecstatic Wang buys him, but soon discovers that his new "grandson" is really a girl, an in-appropriate heir and a worthless creature on the scale of China's

By Leslie Camhi

New York Times Service

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There his troubles begin. Doggie and Wang suffer extreme misfortune, but they are bound by love and by their common fate as outcasts.

palachia, the poverty-stricken. agrarian north of Shaanxi province. He began his career in the province's capital as an actor at Xian Film Studio; in 1966, when the Cultural Revolution short-circuited his plans to study film in Beijing, he spent years at home reading about filmmaking in

"Many educational books were destroyed, but film manuals were spared, because film didn't seem to matter much," he said. "And then, there were so many books, the Cultural Revolution people could not burn them all."

During those dark years, Wu's father, a former revolutionary and water of the river cannot disturb you anymore."

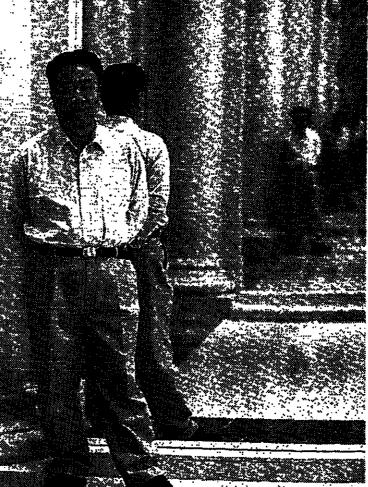
"The King of Masks," Wu's first film in a decade, opens in New York on May 9. Set in Sichuan province in the 1930s, it follows an itinerant street performer, Old Well," a young man dies in a tragic accident; party officials attend the funeral to report allessations of the street performer, Old Well," a young man dies in a tragic accident; party officials attend the funeral to report allessations of the street performer. Wang (Zhu Xu), who earns a meager living astounding crowds with
his skill at "changing faces."

Using elaborate sleight of hand,
practitioners of this folk art change

attend the Beijing Film Academy. After graduating in 1976, he returned to Xian and received his first solo directing credit for "River Without Buoys" (1982), a spec-tacular popular success about three men who share their experiences of the Cultural Revolution as they pilot a raft down the Pushui River.

Two years later he made "Life," which focuses on a village schoolteacher who is torn between his intellectual urban aspirations and his love for a peasant woman. As the head of Xian Film Studio,

Wu also promoted artistic freedom: start at Xian Film Studio and went he was open to the fresh ideas and on to capture world attention.



Wu Tianming, a founder of the New Chinese Cinema movement.

daring approaches of younger di-rectors. His film "The Old Well,"

teacher sent to the countryside during the Cultural Revolution, were order to survive.

Films like Zhang's "Red Sorghum" (1988), a sensuous rural about a man striving to find a new source of water for a village nestled high in stony mountains, starred a young actor named Zhang Yimou.

Zhang is better known as a member of the "Fifth Generation" of Chinese directors, who got their (1987), which focused on a school-

all produced at Xian. Their spectacular visuals and unorthodox subject matter reflected a radical break with prevailing codes of Socialist Realism.

Wu was visiting the United States in the spring of 1989 when the events of Tiananmen Square unfolded. He remained in this country for five years. Returning to China to make "The King of Masks" in 1994, he found a culture in the throes of economic and social transformation "I don't understand why, all of a sudden. Chinese peo ie seem to have grown so cold," he said. "That's why I wanted to make this film, to show that love and warmth are more important than tradition or

China's new entrepreneurial spirit has had mixed results for the nation's vanguard cinema, which now finds itself competing with Hollywood products. Like many recent films by Chinese directors. "The King of Masks" was primarily financed by nonmainland sources, in this case the Hong Kong-based Shao Brothers film

studio. Bottom-line concerns have not prevented the rise of a "Sixth Generation" of Chinese directors, however, whose documentary style and focus on private, ephemeral experience stand in sharp contrast

to that of their predecessors.

Meanwhile, the irrepressible Wu keeps working. He has just com-pleted China's most popular television soap opera ever, and is di-recting another — 36 episodes about a century in the lives of three families living near the Yellow River, (He expects about 32 episodes to remain when the censors finish their work.) Like Old Wang in "The King of Masks," he changes faces but maintains a deep

simplicity.
'That's the film's broader message." he said. "In life in general, you have to keep changing faces in

D CULTURAL DUTY — Beijing policewomen enjoying the performance us while working at a concert of leading Hong Kong and Chinese singers.

hu th: ca

Persona

THE "Kung Fu" actor David Car-radine and his wife, Marina Anderson, have sued People magazine for libel and breach of contract. The suit aclibel and breach of contract. The suit accuses the magazine's parent company, Time Warner Inc., of violating a "gentleman's agreement" for a "nice" story in exchange for the couple's dropping a lawsuit against another of Time Warner's subsidiaries, Who Weekly in Australia. Instead, People wrote of alleged substance abuse and called Carradine "washed up," "unemployable" and "a drunk" Time
Warner's magazine chief, Norman Pearlstine, met with the couple and "profusely apologized" for the Who Weekly piece that called Anderson a porn star, according to the lawsuit, and had promised that a nice story on the Carradines would be done for People or Entertainment Weekly. People magazine says it stands by its story.

Leah Rabin and Judi Dench, two women who figure in David Hare's one-man-show, "Via Dolorosa," surprised the playwright and actor by going back-stage at the Booth Theater in New York after a performance. "Via Dolorosa' touches on the assassination of Rabin's husband, Yitzhak Rabin, who was the

**PEOPLE** prime minister of Israel. "The audience did not know she was there," Hare said, "but the most extraordinary respectful which we can act," he said.

"but the fell over the house. I think they are felling chart which we can act," he said.

"She's been saying to me for some time. Domino played many of his standard, which we can act," he said.

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"She's been saying to me for some time. Domino played many of his standard, which we can act," he said. sensed my own feeling about what an extraordinarily moving moment it was."

As for Dench, Hare usually mentions her the trumpeter Dave Bartholomew, were continuous again for a show at the New in the opening minutes of the show. The

estimated at \$87.7 million.

together again for a show at the New line usually gets a laugh. On this night, it Orleans Jazz and Heritage Festival. drew applause. That tipped off Hare, Domino, 71, and Bartholomew, 78, drifwho had not known that she would be ted apart about 12 years ago to pursue

set with "When the Saints Go Marching in." As the song played out, he bumped the grand piano across the stage with his

thighs, just like the old days. When someone tried to take away his micro-phone, Domino mouthed, "We're not done." He played a little longer, then headed to his trailer as Bartholomew urged the crowd to call him back.

### Ex-Aide to Dali Is Detained in Spain

CADAQUES. Spain — Spanish police have detained the former personal secretary of Salvador Dali for allegedly faking and selling paintings of the renowned surrealist painter, the state news agency EFE reported.

John Peter Moore was detained Tuesday after the police searched his home and workshops in the northeastern town of Cadaques and seized thousands of taked lithography follows attributed to Dali EFE anid.

faked lithographs falsely attributed to Dali, EFE said.
"I was Dali's assistant for 20 years and I don't need to do forgery, I have all the real Dali I need," the news agency quoted Moore as saying.

The police did not confirm the report, saying the investigation was still open. Dali and Moore, a British citizen, met in Rome, where Moore arranged payment for a portrait of the British actor Sir Laurence Olivier that Dali painted in 1955. After that first encounter, Moore became Dali's personal secretary. The mustachioed artist died in 1989 of heart failure, leaving an estate

Richard Gere planned to leave for Macedonia on Wednesday to meet with government and humanitarian officials and visit with refugees as part of a morale-boosting mission. Empire magazine in England reported. Gere, a Buddhist, who has accused China of carrying out nocide against Tibetans, compared that to the current situation in Kosovo. "We're dealing with obviously a very chaotic and violent world right now, and we're seeing in former Yugoslavia the explosion of these ethnic problems," Gere said. A spokeswoman for the UN High Commissioner for Refugees could not confirm the actor's trip.



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